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Presidential Documents

Title 3—THE PRESIDENT

PROCLAMATION 3488

NATIONAL EMPLOY THE PHYSICALLY HANDICAPPED WEEK, 1962

By the President of the United States of America

A Proclamation

WHEREAS our handicapped workers have contributed immeasurably to the strength of our Nation through their productive capacity; and

WHEREAS our expanding economy demands effective and ever-enlarging utilization of our total manpower, suitably placed according to individual skills and talents; and

WHEREAS the physically and mentally handicapped, through increased emphasis on rehabilitation and training to prepare them for occupations commensurate with their abilities, stand ready to assume an even greater share in our social and economic progress; and

WHEREAS their readiness to assume this greater role can be translated into action by acquainting more employers and the public generally with the policy of giving full consideration to handicapped persons in employment, promotion, reassignment and retention; and

WHEREAS the Congress, by a joint resolution approved August 11, 1945 (59 Stat. 530), has designated the first week in October of each year as National Employ the Physically Handicapped Week and has requested the President to issue a suitable proclamation each year:

NOW, THEREFORE, I, JOHN F. KENNEDY, President of the United States of America, do call upon the people of our Nation to observe the week beginning October 7, 1962, as National Employ the Physically Handicapped Week, and to cooperate with the President's Committee on Employment of the Handicapped in furthering equal employment opportunity for the handicapped.

I also call upon the Governors of States, mayors of municipalities, Federal and other public officials, leaders of industry and labor, and other interested individuals and organizations to take part in this observance. I particularly urge employers to renew their efforts to give the handicapped equal consideration with others similarly qualified for employment; and I request all our people to follow the American tradition of helping others to help themselves by assisting handicapped persons to achieve economic independence and active participation in the total life of the national community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-fourth day of August in the year of our Lord nineteen hundred and sixty-two, and of the Independence of the United States of America the one hundred and eighty-seventh.

JOHN F. KENNEDY

By the President:

GEORGE W. BALL,
Acting Secretary of State.

[F.R. Doc. 62-8804; Filed, Aug. 29, 1962; 11:15 a.m.]

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Executive Order 11047

DELEGATING CERTAIN AUTHORITY TO THE SECRETARY OF DEFENSE
AND THE ADMINISTRATOR OF THE FEDERAL AVIATION AGENCY

By virtue of the authority vested in me by Section 301 of title 3 of the United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. The Secretary of Defense and the Administrator of the Federal Aviation Agency are hereby designated and empowered to exercise jointly, without the approval, ratification, or other action of the President, the authority vested in the President by the first sentence of Section 304 of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1345 (first sentence)) to transfer functions (including, as used in this order, powers, duties, activities, facilities, and parts of functions) as described in that sentence to the extent that the said authority is in respect of transfers from the Department of Defense or any officer or organizational entity thereof to the Administrator of the Federal Aviation Agency of functions relating to flight inspection of air navigation facilities.

SEC. 2. The Administrator and the Secretary shall exercise the authority hereinabove delegated to them only as they shall deem such exercise to be necessary or desirable in the interest of promoting, in respect of either civil or military aviation or both, safe and efficient air navigation and air traffic control.

SEC. 3. (a) To the extent necessitated by transfers of functions effected under the provisions of Section 1 of this order:

(1) Transfers of balances of appropriations available and necessary to finance and discharge the transferred functions shall be made under the authority of Section 202(b) of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c(b)) as affected by the provisions of Section 1(k) of Executive Order No. 10530 of May 10, 1954.

(2) Provisions for appropriate transfers of records and property shall be made under the authority of the last sentence of Section 304 of the Federal Aviation Act of 1958 as affected by the provisions of Section 1 of Executive Order No. 10797 of December 24, 1958.

(b) Neither this order nor the said Executive Order No. 10797 shall be deemed to require or authorize the transfer of any civilian or military personnel from the Department of Defense to the Federal Aviation Agency, under authority of the said Section 304, in connection with transfers of functions effected under the provisions of Section 1 of this order.

SEC. 4. (a) In order to facilitate the orderly and timely accomplishment of the transfers and other arrangements mentioned in Section 3(a) of this order, the Secretary of Defense and the Administrator of the Federal Aviation Agency shall transmit to the Director of the Bureau of the Budget, not less than 30 days prior to the execution by them of any order or other transfer instrument in pursuance of the provisions of Section 1 of this order, all appropriate information in respect of any transfers or other arrangements proposed to be made in connection therewith under the provisions of Section 3 hereof, together with copy of the order or other transfer instrument proposed to be executed by them.

(b) In connection with any particular action or actions under Section 1 of this order, the Director of the Bureau of the Budget may either waive the requirements of Section 4(a), above, or reduce the 30 day period there prescribed.

JOHN F. KENNEDY

THE WHITE HOUSE,
August 28, 1962

[F.R. Doc. 62-8792; Filed, Aug. 29, 1962; 10:45 a.m.]

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of Commerce

Effective upon publication in the FEDERAL REGISTER, subparagraphs (41) and (42) are added to paragraph (a) of § 6.312 as set out below.

§ 6.312 Department of Commerce.

(a) *Office of the Secretary.* * * *

(41) One special Assistant to the National Export Expansion Coordinator.

(42) One private Secretary to the National Export Expansion Coordinator.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to
the Commissioners.

[F.R. Doc. 62-8725; Filed, Aug. 29, 1962;
8:52 a.m.]

Title 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES AND OTHER OPERATIONS

[1962 C.C.C. Grain Price Support Bulletin 1, Amdt. 2]

PART 421—GRAINS AND RELATED COMMODITIES

Subpart—General Provisions 1962-Crop Price Support Programs for Grains and Related Commodities

COMPLIANCE REQUIREMENTS FOR RICE

The regulations issued by the Commodity Credit Corporation published in 27 F.R. 4411 and 27 F.R. 6583 containing the general provisions for the 1962-crop price support programs for grains and related commodities are hereby amended as follows:

Section 421.1127 is amended to read as follows:

§ 421.1127 Compliance requirements for rice.

(a) Except as provided in paragraph (b) of this section, a producer shall not be eligible for price support on rice produced in 1962 if the 1962 rice acreage on the farm on which such rice is produced is in excess of the rice acreage allotment.

(b) Notwithstanding the fact that the farm rice acreage allotment may have

been exceeded, a producer shall be eligible for price support on the quantity of rice which he may market under his marketing card or marketing certificate for the farm if the producer establishes to the satisfaction of CCC that (1) he did not in any way knowingly contribute to the acreage on the farm being in excess of the farm rice acreage allotment, (2) the excess rice acreage results from a revision of the farm rice acreage allotment originally established for the farm due to the revocation or recall of an allocation to the farm of another producer's allotment, (3) the penalty on the entire farm marketing excess has been paid, or postponed or avoided by storage or delivery as provided in the Rice Marketing Quota Regulations for 1958 and Subsequent Crop Years (7 CFR 730.972 to 730.983) and any amendments thereto, and (4) the producer otherwise complies with the terms of the program. Each producer who wishes to establish his eligibility for price support under the provisions of this paragraph shall submit to the county committee a certification that he did not in any way knowingly contribute to the acreage on the farm being in excess of the farm rice acreage allotment. He shall also submit to the county committee a written statement signed by him and setting forth such facts as will establish that he was "engaged in the production of rice" of the 1962 crop on the farm as that term is defined in the Regulations for the Determination of Rice Acreage Allotments for the 1959 and Subsequent Crops of Rice (7 CFR 730.1011(g)), and disclose the nature and extent of his farm operations in connection with such rice crop, and shall submit such other information as may be required for the purpose of establishing his eligibility for price support hereunder.

(c) Any producer who is engaged in the production of 1962-crop rice on any farm other than the farm on which the rice tendered for price support was produced shall not be eligible for price support unless he meets the requirements of this paragraph. If the producer has an interest in the 1962 rice crop produced on any other farm in the same county, he must also be entitled to receive a marketing certificate for each such farm. If the producer is engaged in the production of rice in more than one county (in the same State or in two or more States) and the State or county committee has determined to apply the requirements of 7 CFR 730.967(c), 23 F.R. 2897, and any amendments thereto to such multiple farm producer, he must be entitled to receive a marketing certificate for each such farm.

(d) A cooperative marketing association shall not be eligible for price support on rice produced by a producer who has not fulfilled the applicable requirements of this section. If any rice tendered for price support has been produced on a farm to which the provisions of para-

graph (b) of this section are applicable, the association shall submit in behalf of each producer who produced such rice the certification and other material required by said paragraph.

(Secs. 4 and 5, 62 Stat. 1070, as amended; secs. 101, 401, 408, 63 Stat. 1051, as amended; 15 U.S.C. 714 (b) and (c); 7 U.S.C. 1441, 1421 and 1428)

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on August 24, 1962.

E. A. JAENKE,
Acting Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 62-8733; Filed, Aug. 29, 1962;
8:53 a.m.]

[1962 C.C.C. Cotton Bulletin 1, Amdt. 2]

PART 427—COTTON

Subpart—1962 Cotton Purchase Program Regulations

PREPARATION OF DOCUMENTS

The regulations issued by Commodity Credit Corporation, published in 27 F.R. 6530 as 1962 C.C.C. Cotton Bulletin 1 and containing the terms and conditions with respect to the 1962 Cotton Loan Program, are hereby amended to revise the procedure dealing with the data required to be stamped on a warehouse receipt in order to facilitate the disbursement to the producer by the lending agency of the loan proceeds from the cotton pledged by the producer to CCC under the provisions of this subpart.

Section 427.1311(b) is hereby amended to read as follows:

§ 427.1311 Preparation of documents.

* * * * *

(b) The Clerk's Certificate on each Form A tendered for a loan must be executed by the approved clerk who assisted the producer in the preparation and execution of the Form A. The Form A must be signed by the producer in the presence of an approved clerk, and the copy marked "Producer's Copy" is to be retained by the producer. The copy marked "Lending Agency" shall be retained by the lending agency or the county office, whichever makes the loan. If the lending agency makes the loan, it shall retain the copy at the location for which approved unless otherwise authorized by the New Orleans office. The copy marked "Warehouseman" shall be transmitted to the warehouseman by the lending agency or the county office at the time the original Form A is transmitted to the New Orleans office. Loan forms must not be signed in blank under any circumstances. All applicable entries must be completed prior to the time the form is signed by either the producer or the loan clerk. The Schedule of Pledged Cotton on the Form A shall be completed, and the data entered

therein shall be verified by the loan clerk or an employee in the county office when the loan is disbursed in the county office. The cotton classification memorandums covering the cotton in the Schedule of Pledged Cotton shall be forwarded along with the other applicable loan documents to the New Orleans office. All persons claiming liens on the cotton must sign the Lienholder's Waiver on the Form A except that in lieu of signing the Lienholder's Waiver on each Form A, the lienholder may waive his lien on all cotton produced on a farm by executing Form 889 as provided in § 427.1314. Cotton pledged as security for a loan may be of different grades and staple lengths but must be stored in the same warehouse. When the classification memorandum shows that the cotton has been reduced in grade because of the presence of extraneous matter or because of spindle twist, the reduction data shown on the classification memorandum must be entered in the column headed "Reduced from A/C" in the Schedule of Pledged Cotton. When the cotton has been designated as "wasty" on the cotton classification memorandum, the notation "wasty" must be entered in the column "Reduced from A/C" in the Schedule of Pledged Cotton. The loan clerk shall enter all applicable information from the warehouse receipts representing the cotton. However, if any warehouse receipt contains any notation indicating that the bale is not eligible for a loan, the clerk shall not enter the bale on the Form A and shall inform the producer that the bale is not eligible. Not more than 500 bales shall be pledged as security for any one Form A. When disbursement on the Form A is made by a lending agency, the lending agency shall transmit the loan documents to the New Orleans office and must execute the covering Lending Agency's Letter of Transmittal (Form CCC Cotton C, referred to in this subpart as "Form C"). Date of disbursement shown on the Form A must be the actual date of disbursement to the producer by the lending agency or the county office.

Section 427.1319 is hereby amended to read as follows:

§ 427.1319 Warehouse receipts and insurance.

Only negotiable machine card-type warehouse receipts, acceptable to CCC, issued by an approved warehouse and properly assigned by an endorsement in blank so as to vest title in the holder or issued to bearer will be acceptable. The warehouse receipts must contain the gin bale number, must show that the cotton is covered by fire insurance, must be dated on or prior to the date the producer signs the notes, and must be stamped by the warehouseman to show "Receiving charges paid" or "Rec. Chgs. Pd." before the cotton represented by the warehouse receipt will be acceptable to CCC when submitted to CCC by the lending agency for reimbursement of a loan advance made on such cotton, or before the county office will disburse the proceeds of a loan on such cotton. Open yard endorsement, if any, on the ware-

house receipt must have been rescinded with the legend "Open yard disclaimer deleted" with appropriate warehouseman's signature. Each receipt must set out in its written or printed terms a description by tag number and weight of the bale represented thereby and all other facts and statements required to be stated in the written or printed terms of a warehouse receipt under the provisions of section 2 of the Uniform Warehouse Receipts Act. If the cotton has been compressed by either a gin or a warehouse, each receipt covering a compressed bale must also be stamped or printed to reflect the compression status of the cotton; i.e., "Standard Density" or "Std. Den." for cotton compressed to standard density at a warehouse; or "Gin Standard Density" or "Gin Std. Den." for cotton compressed to standard density by a gin. If the cotton has been compressed and the charge for such compression has been paid by the depositor or others, the receipts must also be stamped either "Compression Paid" or "Comp. Pd." Block warehouse receipts will not be accepted except on cotton to be reconcentrated pursuant to § 427.1322.

(Sec. 4, 62 Stat. 1070, as amended, sec. 5, 62 Stat. 1072, secs. 101, 103, 401, 63 Stat. 1051, as amended; 15 U.S.C. 714 b and c; 7 U.S.C. 1441, 1444, 1421)

Effective date: This subpart shall become effective upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on August 24, 1962.

E. A. JÄENKE,
Acting Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 62-8732; Filed, Aug. 29, 1962;
8:53 a.m.]

Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

[P.P.C. 615]

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Mediterranean Fruit Fly

ADMINISTRATIVE INSTRUCTIONS DESIGNATING CERTAIN LOCALITIES AS REGULATED AREAS

Pursuant to § 301.78-2 of the regulations supplemental to the Mediterranean Fruit Fly Quarantine (7 CFR 301.78-2), under sections 8 and 9 of the Plant Quarantine Act of 1912, as amended (7 U.S.C. 161, 162), administrative instructions appearing as 7 CFR 301.78-2a are hereby amended to read as follows:

§ 301.78-2a Administrative instructions designating regulated areas under the Mediterranean fruit fly quarantine and regulations.

Infestations of the Mediterranean fruit fly have been determined to exist in the parts of civil divisions listed below, or it has been determined that such infestation is likely to exist therein, or it is deemed necessary to regulate such parts

of civil divisions because of their proximity to infestation or their inseparability for quarantine enforcement purposes from infested localities. Accordingly, such parts of civil divisions are hereby designated as Mediterranean fruit fly regulated areas within the meaning of the provisions in this subpart:

FLORIDA

Broward County. That portion of Broward County bounded by a line beginning at a point where Northwest 72d Avenue and Northwest 25th Street (Sheridan Street) intersect; thence east along Northwest 25th Street to its intersection with the Seaboard Airline Railroad; thence north along said railroad to its intersection with Oakland Park Beach Boulevard (Northwest 31st Street); thence east along said Boulevard to the Atlantic Ocean; thence south along the coastline to the Dade-Broward County line; thence west along said line to a point where a line extended due south from the termination of Southwest 72d Avenue would intersect said county line; thence north along said extended line, Southwest 72d Avenue and Northwest 72d Avenue, to the point of beginning.

Dade County. That portion of the county lying east of the west line of R. 39 E. (State Highway 27 and extension thereof to Dade-Broward County line) and north of the north line of T. 57 S. (Waldin Drive or extension thereof).

Palm Beach County. That portion of the county bounded by a line beginning at a point where the Seaboard Airline Railroad intersects Woolbright (15th) Avenue and extending along said avenue to its intersection with Southeast 5th Street; thence east on a line projected from said intersection to the point where Chickasaw Avenue intersects the Intercoastal Waterway; thence along said avenue to its intersection with Ocean Boulevard; thence along a line projected due east from said intersection to the Atlantic coastline; thence south along the coastline to its intersection with a line projected due east from the intersection of Hibiscus Road and Ocean Boulevard; thence west along said projected line and Hibiscus Road to its intersection with Sea Sage Drive; thence west along a line projected due west from said point to its intersection with the Intercoastal Waterway; thence southwest along a line projected from said point to the point where Germantown Road (Southeast 10th Street) intersects the Intercoastal Waterway; thence west and southwest along said road to its intersection with the Seaboard Airline Railroad; thence northward along said railroad to the point of beginning.

(Sec. 9, 37 Stat. 318; 7 U.S.C. 162. Interprets or applies sec. 8, 37 Stat. 318, as amended; 7 U.S.C. 161. 19 F.R. 74, as amended; 7 CFR 301.78-2)

These administrative instructions shall become effective August 30, 1962, when they shall supersede P.P.C. 615, effective July 18, 1962 (7 CFR 301.78-2a).

The purpose of this amendment is to extend the regulated area in Broward County, Florida, and to designate as regulated an isolated area in Palm Beach County in which a Mediterranean fruit fly infestation was found at one location.

Those instructions list the parts of civil divisions regulated under the Mediterranean fruit fly quarantine and regulations, and supplement such regulations. They must be made effective promptly in order to carry out the purposes of the regulations. Accordingly, under section 4 of the Administrative Procedure Act

(5 U.S.C. 1003) it is found upon good cause that notice and other public procedure with respect to the foregoing administrative instructions are impracticable and good cause is found for making the effective date thereof less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 24th day of August 1962.

[SEAL] D. R. SHEPHERD,
Acting Director,
Plant Pest Control Division.

[F.R. Doc. 62-8715; Filed, Aug. 29, 1962;
8:51 a.m.]

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

[Farm Marketing Quotas for Extra Long Staple Cotton (Bulletin 2)] (Amdt. 6)

PART 722—COTTON

Subpart—Regulations Pertaining to Marketing Quotas for Extra Long Staple Cotton of the 1961 and Succeeding Crops

COUNTY NORMAL YIELDS

The purpose of this amendment to the Regulations Pertaining to Marketing Quotas for Extra Long Staple Cotton of the 1961 and Succeeding Crops (26 F.R. 5489, 7758, 10093, 27 F.R. 5977, 6117) is to establish the normal yields for counties for the 1962 crop year. Such normal yields for counties as established by the Director, are hereby approved by the Administrator of Agricultural Stabilization and Conservation Service in accordance with §§ 722.102(a) (16) and 722.151. In order that such normal yields may be used by county committees in connection with determinations of farm normal yields, it is essential that this amendment be made effective as soon as possible. Accordingly, it is hereby found and determined that compliance with the notice and public procedure requirements and compliance with the 30-day effective date requirement of section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003) is impracticable and contrary to the public interest and this amendment shall be effective upon filing of this document with the Director, Office of the Federal Register.

Section 722.151 of the Regulations Pertaining to Marketing Quotas for Extra Long Staple Cotton of the 1961 and Succeeding Crops is hereby amended by addition of a new paragraph (b) at the end thereof which reads as follows:

(b) For 1962 crop year. The following table sets forth the normal yields for the 1962 crop year, as adjusted pursuant to § 722.102(a) (16), which are established for the respective counties.

ARIZONA			
Cochise -----	630	Pima -----	602
Gila -----	402	Pinal -----	512
Graham -----	637	Santa Cruz -----	588
Maricopa -----	517	Yuma -----	490

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GEORGIA			
Berrien -----	283	Lanier -----	308
Cook -----	303		
NEW MEXICO			
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TEXAS			
Brewster -----	403	Pecos -----	435
Culberson -----	676	Presidio -----	537
El Paso -----	577	Reeves -----	449
Hudspeth -----	476	Ward -----	566
Loving -----	490		
PUERTO RICO			
North -----	198	South -----	98

(Secs. 301, 375; 52 Stat. 38, 66, as amended; 7 U.S.C. 1301, 1375)

Effective date: Date of filing with the Director, Office of the Federal Register.

Signed at Washington, D.C., on August 24, 1962.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 62-8730; Filed, Aug. 29, 1962;
8:53 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission [Docket 8290 o.]

PART 13—PROHIBITED TRADE PRACTICES

Mary Carter Paint Co., Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.75 *Free goods or services*; § 13.155 *Prices: § 13.155-80 Retail as cost, wholesale, discounted, etc.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45). [Cease and desist order, Mary Carter Paint Co. (Tampa, Fla.) et al., Docket 8290, June 28, 1962]

In the Matter of Mary Carter Paint Company, Inc., a Corporation, and John C. Miller and I. G. Davis, Individually and as Officers of Said Corporation, and Robert Van Worp, Jr., Individually

Order requiring manufacturers of paint and related products, with principal place of business in Tampa, Fla., to cease representing falsely in advertisements in newspapers and periodicals and by radio and television—by such statements as "Buy only Half the Paint You Need", "Every Second Can Free of Extra Cost", etc.—that the advertised price was the usual retail price of a can of paint and was a factory price, and that if one can was purchased at that price; a second can would be given "free"

when, actually, the advertised price was the regular retail price for two cans.

The order to cease and desist is as follows:

It is ordered, That respondents Mary Carter Paint Co., a corporation, and its officers, and Robert Van Worp, Jr., individually, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of paint or any other product, do forthwith cease and desist from representing, directly or by implication:

(a) That any amount is respondents' customary and usual retail price of any merchandise when said amount is in excess of the price at which such merchandise is customarily and usually sold by respondents at retail in the recent and regular course of business;

(b) That any article of merchandise is being given free or as a gift, or without cost or charge, when such is not the fact; and

It is further ordered, That the complaint herein be, and the same hereby is, dismissed as respects respondents John C. Miller and Irving G. Davis, Jr. (named in the complaint as I. G. Davis), in their individual capacities, but not to the extent that they may be subject to this order as officers or agents of the corporate respondent; and

It is further ordered, That to the extent that the complaint alleges that the respondents have represented that their advertised price is a factory price or that such a representation, if made, is false, such allegations in the complaint are dismissed.

By "Final Order", report of compliance was required as follows:

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 28, 1962.

By the Commission, Commissioner Elman dissenting.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 62-8696; Filed Aug. 29, 1962;
8:47 a.m.]

[Dockets 7702; 7702 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Olson Radio Corp. and Olson Radio Corp. et al.

Subpart—Advertising falsely or misleadingly: § 13.70 *Fictitious or misleading guarantees*; § 13.155 *Prices: § 13.155-40 Exaggerated as regular and customary*. Subpart—Furnishing means and instrumentalities of misrepresentation or deception: § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception*. Subpart—Neglecting,

unfairly or deceptively, to make material disclosure: § 13.1880 *Old, used, or reclaimed as unused or new.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist orders: Olson Radio Corp., Akron, O., Docket 7702; Olson Radio Corp. et al., Akron, O., Docket 7702 c.o.; both orders, June 26, 1962]

In the Matter of Olson Radio Corporation, a Corporation, and Irving Olson, Sidney Olson and Albert Schultz, Individually and as Officers of Said Corporation

Order requiring an Akron, Ohio, corporate distributor to cease selling rebuilt television tubes containing a used "envelope" without clearly disclosing that the tubes contained used parts; and selling imported products with markings showing the foreign origin so small, or indistinct, or so placed—even entirely lacking on containers—as not to give adequate notice of foreign manufacture to purchasers; and

Consent order requiring said corporate distributor and three officials to cease making deceptive pricing, savings, and guarantee claims for their products.

The order to cease and desist with regard to the corporate respondent only (Docket 7702), together with further order requiring report of compliance therewith, is as follows:

It is therefore ordered, That the respondent Olson Radio Corporation, a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of imported merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing said products without affirmatively and clearly disclosing legibly and indelibly in a conspicuous place on the products themselves the country of origin thereof.

2. Offering for sale, selling or distributing said products in containers or with attachments in a manner which causes the mark on the products identifying the country of origin to be hidden or obscured, without clearly disclosing legibly and indelibly the country of origin of the products in a conspicuous place on the container or attachment; and

It is further ordered, That respondent Olson Radio Corporation, a corporation, and its officers, representatives, agents and employees, directly, or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of rebuilt television picture tubes containing used parts, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that said television picture tubes are new.

2. Failing to disclose on the tubes, on the cartons in which they are packed, and in advertising that said tubes are rebuilt and contain used parts.

3. Placing any means or instrumentality in the hands of others whereby

they may mislead the public as to the nature and condition of respondent's television picture tubes.

It is further ordered, That paragraphs Six (3), seven, eight, nine, ten and eleven of this amended and supplemental complaint be, and they hereby are, dismissed as to the individual respondents Irving Olson, Sidney Olson, and Albert Schultz.

It is further ordered, That respondent Olson Radio Corporation, a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist as set forth herein.

The order to cease and desist with regard to the corporate respondent and three officials (Docket 7702 c.o.) is as follows:

It is ordered, That the respondents Olson Radio Corporation, a corporation, and its officers, and Irving Olson, Sidney Olson, and Albert Schultz, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any amount is respondents' regular and usual price of merchandise when it is in excess of the price at which said merchandise is usually and regularly sold by respondents in the recent course of their business.

2. Representing, directly or by implication, that any saving is afforded in the purchase of merchandise from respondents' price unless the price at which it is offered constitutes a reduction from the price at which the merchandise has been usually and regularly sold by respondents in the recent course of business.

3. Misrepresenting, in any manner, the amount by which the price of merchandise is reduced from the price at which it has been usually and regularly sold by respondents in the normal course of business.

4. Using the words "Reg.", "list" or any other words of similar import or meaning to designate or describe prices of merchandise unless such prices are the prices at which the merchandise has been sold by respondents in the recent regular course of business.

5. Representing, directly or by implication, that merchandise offered for sale or sold by respondents is guaranteed unless the terms, conditions and extent to which such guarantee applies and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

By the Commission's second "Final Order" in this matter (Docket 7702 c.o.), the corporate respondent and three officials were ordered to file report of compliance with said order, set out immediately preceding, as follows:

It is further ordered, That respondents, Olson Radio Corporation, a corporation, and Irving Olson, Sidney Olson, and Albert Schultz, shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist in said initial decision.

Issued: June 26, 1962.

By the Commission.

[SEAL]

JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 62-8694; Filed, Aug. 29, 1962; 8:46 a.m.]

[Docket C-156]

PART 13—PROHIBITED TRADE PRACTICES

Stein Brothers Fur Co., Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.155 *Prices*: § 13.155-04 *Exaggerated as regular and customary*; § 13.235 *Source or origin*: § 13.235-50 *Maker or seller, etc.*: § 13.235-50(a) *Fur Products Labeling Act*. Subpart—Misbranding or mislabeling: § 13.1280 *Price*. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1865 *Manufacture or preparation*: § 13.1865-40 *Fur Products Labeling Act*.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, Stein Brothers Fur Company, Inc. (Wichita, Kans.), et al., Docket C-156, June 28, 1962]

In the Matter of Stein Brothers Fur Company, Inc., a Corporation, and Morris S. Lavin, Individually and as an Officer of Said Corporation, and Also Trading as A. Keller Fur Company

Consent order requiring furriers with places of business in Wichita, Kans., and Kansas City, Mo., to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices represented thereby as the usual retail prices, and by advertising in newspapers which failed to describe fur products as natural when such was the fact, and which represented fur products falsely as being from the stock of a business of a recently deceased individual or as being sold for the benefit of the estate of a late owner of a business, or as distress merchandise or products unclaimed from storage.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent Stein Brothers Fur Company, Inc., and its officers and respondent Morris S. Lavin, individually and as an officer of said corporation, and also trading as A. Keller Fur Company or under any other trade name and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection

tion with the sale, advertising, offering for sale, transportation, or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:
A. Falsely or deceptively labeling or otherwise identifying such products by any representation, directly or by implication:

(1) That the regular or usual prices of such products are any amount in excess of the prices at which respondents have usually and customarily sold such products in the recent regular course of business.

(2) That the prices of such products are reduced from the prices at which respondents have usually or customarily sold such products, when such is not the case.

(3) That any amount is the sale price of any fur product when such amount is in excess of the price at which such fur product is actually sold during the period such product is labeled or otherwise represented as being on sale.

(4) That savings are available to purchasers of respondents' fur products when such is not the case.

2. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of fur products and which:

A. Fails to describe fur products which are not pointed, bleached, dyed, tipped, or otherwise artificially colored, as natural.

B. Represents directly or by implication, contrary to fact, that any such products are the regular stock of a business.

C. Represents in any manner, contrary to fact, that fur products are being sold for the benefit of any one other than the owners of such business.

D. Represents in any manner, contrary to fact, directly or by implication, that fur products are distress merchandise, or are fur products uncalled for or unclaimed from storage or are fur products from a business or estate in the process of liquidation.

E. Represents in any manner, contrary to fact, directly or by implication, that prices of such products are reduced from the prices at which respondents have usually or customarily sold such products in the recent regular course of business.

F. Represents in any manner, directly or by implication, that any amount is the sale price of any fur product when such amount is in excess of the price at which such fur product is actually sold during the period the fur product is represented as being on sale.

G. Represents in any manner that savings are available to purchasers of respondents' products, when such is not the fact.

It is further ordered, That the respondents herein shall, within sixty (60)

days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: June 28, 1962.

By the Commission.

[SEAL]

JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 62-8697; Filed, Aug. 29, 1962;
8:48 a.m.]

[Docket 7997]

PART 13—PROHIBITED TRADE PRACTICES

Waltham Watch Co. et al.

Subpart—Advertising falsely or misleadingly: § 13.15 *Business status, advantages, or connections*; § 13.15-105 *Identity*; § 13.15-225 *Personnel or staff*; § 13.60 *Earnings and profits*; § 13.70 *Fictitious or misleading guarantees*; § 13.105 *Individual's special selection or situation*; § 13.185 *Refunds, repairs, and replacements*; § 13.195 *Safety*; § 13.195-30 *Investment*. Subpart—Furnishing means and instrumentalities of misrepresentation or deception: § 13.1055-50 *Preticketing merchandise misleadingly*. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1900 *Source or origin*; § 13.1900-35 *Foreign product as domestic*. Subpart—Securing agents or representatives by misrepresentation: § 13.2120 *Dealer or seller assistance*; § 13.2125 *Demand or business opportunities*; § 13.2130 *Earnings*; § 13.2132 *Exclusive territory*. Subpart—Using misleading name—GOODS: § 13.2345 *Source or origin*; § 13.2345-50 *Maker*; § 13.2345-65 *Place*; § 13.2345-65 (e) *Imported products or parts as domestic*.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Waltham Watch Company (Chicago, Ill.) et al., Docket 7997, June 15, 1962]

In the Matter of Waltham Watch Company, a Corporation, and Harry Aronson and Lawrence Aronson, Individually and as Officers of Said Corporation, and David Singer, an Individual Trading as Time Industries, and Muriel Singer, Individually

Order requiring a Chicago importer of clocks from West Germany—actually a concern spun-off the assets of the old Waltham firm in 1957 which licensed the distributor respondent to use the "Waltham" trade name—and the sole distributor of the clocks, to cease using the word "Waltham" without clear notice that their products were not manufactured by the well-known Waltham Watch Co. of Waltham, Mass. (now in business under another name); and requiring said distributor to cease making numerous false claims in connection with its franchise distributor plan whereby it sold "Waltham" clocks, together with display cases, to operators for resale to the public, including claims of exaggerated profits and misrepresentations of refund and return policies and

guarantees, as in the order below more specifically set forth.

The order to cease and desist is as follows:

It is ordered, That Time Industries, an unincorporated business, David Singer, individually and trading as Time Industries, or under any other trade name or names, and Muriel Singer, individually, and as Office and Field Manager of Time Industries, and said respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of clocks or any other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

I. Offering for sale or selling any product which is in whole or substantial part of foreign origin, without clearly and conspicuously disclosing on such product the country of origin of the product, and on the advertising used in connection therewith, and if said product is enclosed in a package or container, on the package or container of the product, in such manner that the name of the country of origin will not be hidden, obscured or obliterated.

II. Using the word "Waltham" as part of the name of any product unless the public is clearly warned by a statement, in immediate connection therewith, that the product is not manufactured by the Waltham Watch Company of Waltham, Massachusetts, and, unless, in addition, the product is manufactured under the direction of respondent, Waltham Watch Company, and the right to use such name is licensed and the use supervised by said respondent, Waltham Watch Company.

III. Representing, directly or by implication, when such is not the fact that:

1. Any product is manufactured by Waltham Watch Company of Waltham, Massachusetts, or in any other way misrepresenting the age, reputation or location of the manufacturer.

2. The business of said respondents is connected in any way with the Waltham Watch Company of Waltham, Massachusetts.

3. Display cases for the sale of clocks will be located in leading drug stores, chain stores, markets and other profitable locations.

4. Selling is not required of persons who purchase franchises.

5. The initial investment of persons who purchase franchises, is protected or guaranteed.

6. Any percentage will be earned on an investment in a franchise.

7. The products are sold only to a limited number of selected and qualified franchise distributors.

8. Any sales proposition is guaranteed to be money making.

9. Any product is unconditionally guaranteed, or guaranteed to any extent unless the terms and conditions of the guarantee are clearly and unmistakably disclosed.

10. Any territory is reserved exclusively for any franchised distributor, or he is granted any exclusive territory within which to operate his business.

11. Any salesman is an executive of Time Industries, or a representative or executive of Waltham Watch Company of Waltham, Massachusetts, or connected with the latter firm.

12. The full refund of the purchase price of unsold merchandise will be made.

13. Any designated profit will be earned.

14. Employees of said respondents will relocate display cases.

15. Any number of clocks will be sold from each display case during any interval or that the national average of such sales is any particular figure.

16. Any number of franchise dealers liquidate their investments through profits during any period of time.

IV. Placing in the hands of others means and instrumentalities whereby they may mislead the public as to the manufacturer or the place of origin of clocks or any other product.

It is further ordered, That Waltham Watch Company, a corporation, and its officers and Harry Aronson, individually and as an officer of said corporation, and Lawrence Aronson as an officer of said corporation, and said respondents' officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the use of the name "Waltham," in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

I. Using or authorizing any person to use the name "Waltham" in connection with the sale of clocks or any other product unless it supervises said use and insures that the name is so utilized that:

1. The public is clearly warned by a statement immediately in connection therewith, that the product is not manufactured by the Waltham Watch Company of Waltham, Massachusetts, and,

2. If the product is of foreign origin, the country of origin of the product is clearly and conspicuously disclosed on the product, on the advertising used in offering it for sale, and on any package or container in which the product is enclosed, in such manner that the name of the country of origin will not be hidden, obscured or obliterated.

II. Placing any means or instrumentality in the hands of others whereby they may mislead the public, as to the manufacturer of any product which they sell, the manufacturer's age, experience and reputation and the country of origin of the product.

It is further ordered, That the complaint is dismissed as against respondent, Lawrence Aronson, individually, but not as an officer of respondent, Waltham Watch Company.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is further ordered, That respondents, Waltham Watch Company, a corporation, Lawrence Aronson, as an officer of the said corporation, Harry Aronson, individually and as an officer of the said corporation, and David Singer and Muriel Singer, individually, shall, within sixty (60) days after service upon them of this order, file with the Commission

a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 15, 1962.

By the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 62-8695; Filed, Aug. 29, 1962;
8:46 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 32—HUNTING

Blackbeard Island National Wildlife Refuge, Georgia

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 32.22 Special regulations; upland game; for individual wildlife refuge areas.

GEORGIA

BLACKBEARD ISLAND NATIONAL WILDLIFE REFUGE

Public hunting of raccoon and turkey gobblers on the Blackbeard Island National Wildlife Refuge, Georgia, is permitted only on the area designated by signs as open to hunting. This open area, comprising 4,585 acres or 82 percent of the total area of the refuge, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 809 Peachtree-Seventh Building, Atlanta 23, Georgia. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: Raccoons and turkey gobblers. The taking of other upland game species as may be otherwise authorized by Georgia State regulations is prohibited.

(b) Open season: November 19 through November 24, 1962, and December 31, 1962, through January 5, 1963. Daylight to 9:30 a.m. and 3:30 p.m. to sunset daily (standard time). Total season kill for turkeys limited to twenty (20) gobblers.

(c) Daily bag limits: Turkey gobblers—two per season, raccoons—no limit.

(d) Methods of hunting:

(1) Weapons: Bows of not less than forty (40) pounds pull and arrows.

(2) Prohibited methods: Firearms, crossbows, and mechanical bows.

(3) Dogs: No dogs permitted.

(4) Hunting permitted from daylight to 9:30 a.m. (standard time) and from 3:30 p.m. (standard time) to sunset each day.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in

Title 50, Code of Federal Regulations, Part 32.

(2) Preseason scouting prohibited. Hunters will be restricted to the camping area until the morning of the first day of the hunt.

(3) Participants must arrange their own transportation to the Island and may not enter the refuge more than three days in advance of each opening date.

(4) A Federal permit is required to enter the public hunting area. Permit applications will be received by the Refuge Manager, Savannah National Wildlife Refuge, Port Wentworth, Georgia until November 7, 1962.

(5) The provisions of this special regulation are effective to January 6, 1963.

WALTER A. GRESH,
Regional Director, Bureau of
Sport Fisheries and Wildlife.

[F.R. Doc. 62-8699; Filed, Aug. 29, 1962;
8:48 a.m.]

PART 32—HUNTING

Blackbeard Island National Wildlife Refuge, Georgia

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

GEORGIA

BLACKBEARD ISLAND NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Blackbeard Island National Wildlife Refuge, Georgia, is permitted only on the area designated by signs as open to hunting. This open area, comprising 4,585 acres or 82 percent of the total area of the refuge, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 809 Peachtree-Seventh Building, Atlanta 23, Georgia. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: Deer, either sex. The hunting of big game species as may be otherwise authorized by Georgia State Regulations is prohibited.

(b) Open season: November 19 through November 24, 1962, and December 31, 1962, through January 5, 1963. Daylight to 9:30 a.m., and 3:30 p.m. to sunset daily (standard time). Total season kill limited to 150 animals.

(c) Daily bag limits: 2 of either sex per hunter for the season.

(d) Methods of hunting:

(1) Bow and arrows only. Bows of not less than forty (40) pounds pull. Arrowheads must be $\frac{7}{8}$ inch wide or wider. Crossbows and mechanical bows prohibited.

(2) Dogs prohibited.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) All State regulations must be obeyed while hunting on the refuge and hunting license must be carried on the person to be exhibited to Federal or State officers upon request.

(3) All camping will be done at designated camping areas only. Fires must be confined to this area.

(4) Participants must arrange their own transportation to the island and may not enter the refuge more than three days in advance of each opening date.

(5) Hunters will be restricted to the camping area until the morning of the first day of the hunt.

(6) A Federal permit is required to enter the public hunting area. Permit applications will be received by the Refuge Manager, Savannah National Wildlife Refuge, Port Wentworth, Georgia, until November 7, 1962.

(7) The provisions of this special regulation are effective to January 6, 1963.

WALTER A. GRESH,
Regional Director, Bureau of
Sport Fisheries and Wildlife.

[F.R. Doc. 62-8700; Filed, Aug. 29, 1962;
8:48 a.m.]

PART 32—HUNTING

Piedmont National Wildlife Refuge, Georgia

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 32.32 Special regulations; big game;
for individual wildlife refuge areas.

GEORGIA

PIEDMONT NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Piedmont National Wildlife Refuge, Georgia, is permitted only on the area designated by signs as open to hunting. This open area, comprising 31,358 acres or 98 percent of the total area of the refuge, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 809 Peachtree-Seventh Building, Atlanta 23, Georgia. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: Deer of either sex. The hunting of big game species as may be otherwise authorized by Georgia State regulations is prohibited.

(b) Open season: November 12, 1962, through November 17, 1962.

(c) Total bag limits: Deer—1.

(d) Methods of hunting:

(1) Bows of not less than forty (40) pounds pull and arrows $\frac{7}{8}$ inch in width or wider.

(2) Firearms, crossbows and mechanical bows prohibited.

(3) Dogs on leash may be used to track wounded game only. No other use permitted.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge

areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) Preseason scouting prohibited.

(3) Hunters must remain on their stands between sunrise and 9:30 a.m. (standard time).

(4) Camping and fires are restricted to designated camping area.

(5) A Federal permit is required to enter the public hunting area and may be obtained, without charge, by writing only to the Refuge Manager, Piedmont National Wildlife Refuge, Round Oak, Georgia.

(6) The provisions of this special regulation are effective to November 18, 1962.

GEORGIA

PIEDMONT NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Piedmont National Wildlife Refuge, Georgia is permitted only on the area designated by signs as open to hunting. This open area, comprising 31,358 acres or 98 percent of the total area of the refuge, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 809 Peachtree-Seventh Building, Atlanta 23, Georgia. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: Deer (bucks only with visible antlers). The hunting of big game species as may be otherwise authorized by Georgia State regulations, is prohibited.

(b) Open season: November 20, 1962, through November 24, 1962, and November 27, 1962, through November 29, 1962.

(c) Total bag limits: Deer—1.

(d) Methods of hunting:

(1) Guns for hunting deer are limited to shotguns, 20 gauge or larger loaded with slugs, or to rifles using center fire cartridges .22 calibre or above, with the following exceptions: .25-.20; .32-.20; .30 Army Carbine; .22 Hornet or .218 Bee.

(2) Dogs are prohibited.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) Preseason scouting prohibited.

(3) Camping and fires prohibited.

(4) A Federal permit is required to enter the public hunting area and may be obtained, without charge, by writing only to the Refuge Manager, Piedmont National Wildlife Refuge, Round Oak, Georgia.

(5) The provisions of this special regulation are effective to November 30, 1962.

GEORGIA

PIEDMONT NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Piedmont National Wildlife Refuge, Georgia, is permitted only on the area designated by signs as open to hunting.

This open area, comprising 31,358 acres or 98 percent of the total area of the refuge, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 809 Peachtree-Seventh Building, Atlanta 23, Georgia. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: Deer of either sex. The hunting of big game species as may be otherwise authorized by Georgia State regulations is prohibited.

(b) Open season: November 30, 1962, and December 1, 1962.

(c) Total bag limits: Deer—1.

(d) Methods of hunting:

(1) Guns for hunting deer are limited to shotguns, 20 gauge or larger loaded with slugs, or to rifles using center fire cartridges .22 calibre or above, with the following exceptions: .25-.20; .32-.20; .30 Army Carbine; .22 Hornet; or .218 Bee.

(2) Dogs are prohibited.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) Preseason scouting prohibited.

(3) Camping and fires prohibited.

(4) A Federal permit is required to enter the public hunting area and may be obtained, without charge, by writing only to the Refuge Manager, Piedmont National Wildlife Refuge, Round Oak, Georgia.

(5) The provisions of this special regulation are effective to December 2, 1962.

WALTER A. GRESH,
Regional Director, Bureau of
Sport Fisheries and Wildlife.

[F.R. Doc. 62-8713; Filed, Aug. 29, 1962;
8:51 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 121—FOOD ADDITIVES

Subpart A—Definitions and Procedural and Interpretative Regulations

FURTHER EXTENSION OF EFFECTIVE DATE OF STATUTE FOR CERTAIN SPECIFIED FOOD ADDITIVES

Pursuant to the authority provided in the Federal Food, Drug, and Cosmetic Act (sec. 6(c), Public Law 85-929; 72 Stat. 1788, as amended sec. 2, Public Law 87-19; 75 Stat. 42; 21 U.S.C., note under sec. 342) and delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (25 F.R. 8625), § 121.91 is amended by deleting the items "Carbon disulfide", "Carbon tetrachloride", and "Ethylene dichloride" (26 F.R. 7963), and by adding thereto the following new items:

tions (21 CFR Part 121) are amended by adding to Subpart C the following new sections:

§ 121.232 Bacitracin.

The food additive bacitracin may be safely used in animal feed in accordance with the following prescribed conditions:

(a) Bacitracin is the antibiotic substance produced by growth of *Bacillus subtilis* var. Tracy or the same antibiotic substance produced by any other means, and for the purposes of this section refers to bacitracin or feed grade bacitracin.

(b) The quantities of the antibiotics referred to in this section refer to the activity contained in an equivalent weight of the standard of comparison used for the drug.

(c) It is used or intended for use as follows:

and Drugs has concluded that the following regulations should issue:

1. Upon consideration of information available to him, in addition to that submitted by Commercial Solvents Corporation, Terre Haute, Indiana, and Pabst Brewing Company, 917 West Juneau Avenue, Milwaukee 1, Wisconsin, with respect to bacitracin and zinc bacitracin in chicken and turkey feeds, it has been determined that establishment by regulation in Part 121 of appropriate labeling to set forth levels, limitations, and indications for use of such additives in feed would be in the public interest. Therefore, pursuant to authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)), and delegated to the Commissioner by the Secretary (25 F.R. 8625), the food additive regulations

BACITRACIN WITH OR WITHOUT OTHER ADDITIVES IN CHICKEN AND TURKEY FEED

Principal ingredient	Gm. per ton	Combined with—	Gm. per ton	Limitations	Indications for use
1. Bacitracin.....	10-50	-----	-----	50 gm. per ton first 4 to 6 weeks of egg production; 10-50 gm. per ton for remainder of egg-laying period; as bacitracin; for chickens.	Maintaining or increasing egg production.
	50-100	-----	-----	As bacitracin; for chickens and turkeys.	Prevention of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis, mud fever).
	50-100	-----	-----	As bacitracin; for turkeys.	Prevention of infectious sinusitis.
	100	-----	-----	As bacitracin; for chickens.	Maintaining or increasing hatchability of eggs.
	100-500	-----	-----	As bacitracin; for chickens and turkeys.	Treatment of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis, mud fever).
	100-500	-----	-----	As bacitracin; for turkeys.	Treatment of infectious sinusitis.
	100-500	-----	-----	As bacitracin; for chickens.	Prevention of early mortality due to susceptible organisms.
2. Bacitracin.....	7.5-37.5	Penicillin.....	2.5-12.5	12.5 gm. of penicillin plus 37.5 gm. of bacitracin first 4 to 6 weeks of egg production; not less than 2.5 gm. of more than 12.5 gm. of penicillin plus not less than 7.5 gm. nor more than 37.5 gm. of bacitracin for remainder of laying period; as procaine penicillin plus bacitracin; for chickens.	Maintaining or increasing egg production.

MISCELLANEOUS

Product	Specified uses or restrictions	Effective date of statute extended to—	Progress report required by—
Butyl palmitate.....	***	Jan. 1, 1963	***
Butyl stearate.....	Component of a textile-processing lubricant used in the manufacture of filter fabric for food processing.	Jan. 1, 1963	-----
Carbon disulfide.....	do.	Jan. 1, 1963	-----
Carbon tetrachloride.....	Fumigant for grain-mill machinery.	Jan. 1, 1963	-----
Di-tert-butyl hydroquinone.....	Component of a textile-processing lubricant used in the manufacture of filter fabric for food processing.	Jan. 1, 1963	-----
Diethylene glycol monolaurate.....	do.	Jan. 1, 1963	-----
Dimethylpolysiloxane, 100 centistokes.....	do.	Jan. 1, 1963	-----
Ethylene dichloride.....	Fumigant for grain-mill machinery.	Jan. 1, 1963	-----
Fatty acid (C ₁₀ -C ₁₈) diethanolamide condensate.....	Component of a textile-processing lubricant used in the manufacture of filter fabric for food processing.	Jan. 1, 1963	-----
Fatty acid (C ₁₀ -C ₁₈) triethanolamide condensate.....	do.	Jan. 1, 1963	-----
Fatty acid (C ₁₀ -C ₁₈) mono- and diesters of polyoxyethylene glycol (mol. wt. 400-3,000).....	do.	Jan. 1, 1963	-----
Isobutyl palmitate.....	do.	Jan. 1, 1963	-----
Isobutyl stearate.....	do.	Jan. 1, 1963	-----
Methyl esters of fatty acids (C ₁₀ -C ₁₈).....	do.	Jan. 1, 1963	-----
Mineral oil meeting the following specifications: Virgin distillate from petroleum; no cracked products present; percent boiling below 700° F. (50% minimum); percent boiling below 775° F. (95% minimum).....	do.	Jan. 1, 1963	-----
Polyamide resin (thermoplastic) derived from vegetable oil acids, reacted with ethylenediamine.....	Component of paper and paper board for food packaging.	Jan. 1, 1963	-----
Polyoxyethylene (9-10 mols) ether of isocetyl phenol.....	Component of a textile-processing lubricant used in the manufacture of filter fabric for food processing.	Jan. 1, 1963	-----
Polyoxyethylene (9-10 mols) ether of nonyl phenol.....	do.	Jan. 1, 1963	-----
Polyoxyethylene (4 mols) ethylenediamine monolauramide.....	do.	Jan. 1, 1963	-----
Potassium salts of fatty acids (C ₁₀ -C ₁₈).....	do.	Jan. 1, 1963	-----
Rice bran oil.....	do.	Jan. 1, 1963	-----
Sodium salts of fatty acids (C ₁₀ -C ₁₈).....	do.	Jan. 1, 1963	-----

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of this order, and I so find, since the extensions of time, under certain conditions, for the effective date of the food additives amendments to the Federal Food, Drug, and Cosmetic Act were contemplated by Public Law 87-19 as a relief of restrictions on the food-processing industry.

Effective date. This order shall become effective on the date of signature. (Sec. 6(c), Public Law 85-929; as amended sec. 2, Public Law 87-19; 72 Stat. 1788, as amended 75 Stat. 42; 21 U.S.C., note under sec. 342)

Dated: August 22, 1962.

GEO. P. LARRICK,
Commissioner of Food and Drugs.
[P.R. Doc. 62-8605; Filed, Aug. 29, 1962; 8:45 a.m.]

PART 121—FOOD ADDITIVES

Subpart C—Food Additives Permitted in Animal Feed and Animal Feed Supplements

SUBCHAPTER C—DRUGS

PART 146—GENERAL REGULATIONS FOR THE CERTIFICATION OF ANTI-BIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

Bacitracin; Zinc Bacitracin

In the matter of establishing regulations under the provisions of sections 409 (c) and (d) and 507 of the Federal Food, Drug, and Cosmetic Act with respect to prescribing conditions of use for food additives incorporated in the feed of animals intended for human consumption, the Commissioner of Food

ZINC BACITRACIN WITH OR WITHOUT OTHER ADDITIVES IN CHICKEN AND TURKEY FEED

Principal Ingredient	Gm. per ton	Combined with—	Gm. per ton	Limitations	Indications for use
1. Zinc bacitracin...	10-50	-----	-----	50 gm. per ton first 4 to 6 weeks of egg production; 10-50 gm. per ton for remainder of egg-laying period; as zinc bacitracin; for chickens.	Maintaining or increasing egg production.
	50-100	-----	-----	As zinc bacitracin; for chickens and turkeys.	Prevention of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis, mud fever).
	50-100	-----	-----	As zinc bacitracin; for turkeys.	Prevention of infectious sinusitis.
	100	-----	-----	As zinc bacitracin; for chickens.	Maintaining or increasing hatchability of eggs.
	100-500	-----	-----	As zinc bacitracin; for chickens and turkeys.	Treatment of chronic respiratory disease (air-sac infection); blue comb nonspecific infectious enteritis, mud fever).
	100-500	-----	-----	As zinc bacitracin; for turkeys.	Treatment of infectious sinusitis.
	100-500	-----	-----	As zinc bacitracin; for chickens.	Prevention of early mortality of chicks due to susceptible organisms.
2. Zinc bacitracin...	7.5-37.5	Penicillin...	2.5-12.5	12.5 gm. of penicillin plus 37.5 gm. of bacitracin first 4 to 6 weeks of egg production; not less than 2.5 gm. nor more than 12.5 gm. of penicillin plus not less than 7.5 gm. nor more than 37.5 gm. of bacitracin for remainder of laying period; as procaine penicillin plus zinc bacitracin; for chickens.	Maintaining or increasing egg production.
3. Zinc bacitracin...	25-87.5	Penicillin...	12.5-75	50-100 gm. of combination; not less than 12.5 gm. of penicillin nor less than 25 gm. of bacitracin; as procaine penicillin plus zinc bacitracin; for chickens and turkeys.	Prevention chronic respiratory disease (air-sac infection), blue comb (nonspecific infectious enteritis, mud fever).
4. Zinc bacitracin...	25-87.5	Penicillin...	12.5-75	50-100 gm. of combination; not less than 12.5 gm. of penicillin nor less than 25 gm. of bacitracin; as procaine penicillin plus zinc bacitracin; for chickens and turkeys.	Prevention of infectious sinusitis.
5. Zinc bacitracin...	75	Penicillin...	25	100 gm. of combination; as procaine penicillin plus zinc bacitracin; for chickens.	Maintaining or increasing hatchability of eggs.

BACITRACIN WITH OR WITHOUT OTHER ADDITIVES IN CHICKEN AND TURKEY FEED—Continued

Principal Ingredient	Gm. per ton	Combined with—	Gm. per ton	Limitations	Indications for use
3. Bacitracin...	25-87.5	Penicillin...	12.5-75	50-100 gm. of combination; not less than 12.5 gm. of penicillin nor less than 25 gm. of bacitracin; as procaine penicillin plus bacitracin; for chickens and turkeys.	Prevention of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis, mud fever).
4. Bacitracin...	25-87.5	Penicillin...	12.5-75	50-100 gm. of combination; not less than 12.5 gm. of penicillin nor less than 25 gm. of bacitracin; as procaine penicillin plus bacitracin; for turkeys.	Prevention of infectious sinusitis.
5. Bacitracin...	75	Penicillin...	25	100 gm. of combination; as procaine penicillin plus bacitracin; for chickens.	Maintaining or increasing hatchability of eggs.
6. Bacitracin...	50-475	Penicillin...	25-125	100-500 gm. of combination; not less than 25 gm. of penicillin nor less than 50 gm. of bacitracin; as procaine penicillin plus bacitracin; for chickens and turkeys.	Treatment of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis, mud fever).
7. Bacitracin...	50-475	Penicillin...	25-125	100-500 gm. of combination; not less than 25 gm. of penicillin nor less than 50 gm. of bacitracin; as procaine penicillin plus bacitracin; for chickens.	Treatment of infectious sinusitis.
8. Bacitracin...	50-475	Penicillin...	25-125	100-500 gm. of combination; not less than 25 gm. of penicillin nor less than 50 gm. of bacitracin; as procaine penicillin plus bacitracin; for chickens.	Prevention of early mortality of chicks due to susceptible organisms.

(d) To assure safe use, the label and labeling of the additive, any combination of additives, and any intermediate premix or final feed prepared therefrom shall bear, in addition to the other information required by the act, the following:

- (1) The name of the additive or additives.
 - (2) A statement of the quantity or quantities contained therein.
 - (3) Adequate directions and warnings for use.
- § 121.233 Zinc bacitracin.
- The food additive zinc bacitracin may be safely used in animal feed in accordance with the following:
- (a) Zinc bacitracin is the zinc salt of the antibiotic substance produced by growth of *Bacillus subtilis* var. Tracy or the same antibiotic substance produced by any other means, and for the purposes of this section refers to zinc bacitracin or feed grade zinc bacitracin.
 - (b) The quantities of the antibiotics referred to in this section refer to the activity contained in an equivalent weight of the standard of comparison used for the drug.
 - (c) It is used or intended for use as follows:

BACITRACIN WITH OR WITHOUT OTHER ADDITIVES IN CHICKEN AND TURKEY FEED—Continued

Principal Ingredient	Gm. per ton	Combined with—	Gm. per ton	Limitations	Indications for use
6. Zinc bacitracin....	50-475	Penicillin.....	25-125	100-500 gm. of combination; not less than 25 gm. of penicillin nor less than 50 gm. of bacitracin; as procaine penicillin plus zinc bacitracin; for chickens and turkeys.	Treatment of chronic respiratory disease (air-sac infection); blue comb (nonspecific infectious enteritis, mud fever).
7. Zinc bacitracin....	50-475	Penicillin.....	25-125	100-500 gm. of combination; not less than 25 gm. of penicillin nor less than 50 gm. of bacitracin; as procaine penicillin plus zinc bacitracin; for turkey.	Treatment of infectious sinusitis.
8. Zinc bacitracin....	50-475	Penicillin.....	25-125	100-500 gm. of combination; not less than 25 gm. of penicillin nor less than 50 gm. of bacitracin; as procaine penicillin plus zinc bacitracin; for chicks.	Prevention of early mortality of chicks due to susceptible organisms.

(d) To assure safe use, the label and labeling of the additive, any combination of additives, and any intermediate premix or final feed prepared therefrom shall bear, in addition to the other information required by the act, the following:

(1) The name of the additive or additives.

(2) A statement of the quantity or quantities contained therein.

(3) Adequate directions and warnings for use.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

2. Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507(c), 59 Stat. 463 as amended; 21 U.S.C. 357(c)), and delegated to the Commissioner of Food and Drugs by the Secretary (25 F.R. 8625), the Commissioner finds that animal feeds containing bacitracin, zinc bacitracin, or a combination of either with penicillin are safe and efficacious for use in the amounts and under the conditions prescribed in amendment 1 of this order. Therefore, § 146.26 *Animal feed containing penicillin* * * * (21 CFR 146.26) is amended by adding to paragraph (b) the following new subparagraph:

(51) It is a medicated chicken and turkey feed containing bacitracin or zinc bacitracin up to 500 grams per ton or up to 500 grams per ton of a combination of either with penicillin in the amounts and for the purposes indicated in §§ 121.232 and 121.233 of this chapter and its labeling bears adequate directions and warnings for such use.

(Sec. 507(c), 59 Stat. 463 as amended; 21 U.S.C. 357(c))

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hear-

ing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Secs. 409(c)(1), 507(c), 59 Stat. 463 as amended, 72 Stat. 1786; 21 U.S.C. 348(c)(1), 357(c))

Dated: August 22, 1962.

GEO. P. LARRICK,

Commissioner of Food and Drugs.

[F.R. Doc. 62-8603; Filed, Aug. 29, 1962; 8:45 a.m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 3—ADJUDICATION

Subpart B—Burial Benefits

FORFEITURE

1. Section 3.1609 is revised to read as follows:

§ 3.1609 Forfeiture.

(a) Forfeiture of benefits for fraud by a veteran during his lifetime will not preclude payment of burial allowance if otherwise in order. No benefits will be paid to a claimant who participated in the fraud which caused the forfeiture by the veteran. (38 U.S.C. 3503(c))

(b) Burial allowance is not payable based on a period of service commencing prior to the date of commission of the offense where either the veteran or claimant has forfeited the right to gratuitous benefits under § 3.902 or 3.903 by reason of a treasonable act or subversive activities, unless the offense was pardoned by the President of the United States prior to the date of the veteran's death. (38 U.S.C. 3504(c)(2), 3505(a))

2. Following § 3.1609, the cross reference "Effect of forfeiture after veteran's death. See § 3.903." is changed to read

"Effect of forfeiture after veteran's death. See § 3.904."

(72 Stat. 1114; 38 U.S.C. 210)

This regulation is effective August 30, 1962.

[SEAL]

A. T. MCANSH,
Acting Associate
Deputy Administrator.

[F.R. Doc. 62-8736; Filed, Aug. 29, 1962; 8:54 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2758]

[88277]

UTAH

Partly Revoking Executive Order of July 2, 1910, Which Created Power Site Reserve No. 34

By virtue of the authority vested in the President by the act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), and pursuant to Executive Order No. 10355 of May 26, 1952, and determination DA-156-Utah of the Federal Power Commission issued June 22, 1962, it is ordered as follows:

1. The Executive Order of July 2, 1910, creating Power Site Reserve No. 34, as construed by Interpretation No. 133 of May 27, 1929, and Interpretation No. 156 of October 10, 1930, is hereby revoked so far as it affects the following-described lands:

SALT LAKE MERIDIAN

T. 26 S., R. 20 E.,

Sec. 13, lot 3.

T. 26 S., R. 21 E.,

Sec. 19, lot 4;

Sec. 30, lots 2, 3, and 6.

The areas described aggregate 61.52 acres.

2. The lands lie on the west bank of the Colorado River some 12 to 14 miles below Moab, Utah. Topography varies from rolling to rough, and soils are mostly shallow and rocky.

3. The lands are hereby restored to the operation of the public land laws, subject to valid existing rights and equitable claims, the requirements of applicable law, rules and regulations, and the provisions of any existing withdrawals provided, that, until 10:00 a.m. on February 23, 1963, the State of Utah shall have (1) a preferred right of application to select the lands in accordance with subsection (c) of section 2 of the act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and (2) a preferred right to apply for the reservation to it or to any of its political subdivisions under any statute or regulation applicable thereto of any of the lands required for a right-of-way for a public highway or as a source of materials for the construction and maintenance of such highways in accordance with the provisions of Section 24 of the Federal Power Act.

The lands have been open to applications and offers under the mineral leasing laws, and to location under the United States mining laws.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Salt Lake City, Utah.

JOHN A. CARVER, JR.,
Assistant Secretary of the Interior.

AUGUST 24, 1962.

[F.R. Doc. 62-8705; Filed, Aug. 29, 1962;
8:49 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and
Conservation Service

[7 CFR Parts 1135, 1137]

[Docket Nos. AO-300-A5RO1; AO-326-A2RO1]

MILK IN COLORADO SPRINGS- PUEBLO AND EASTERN COLORADO MARKETING AREAS

Notice of Reopening of Hearing on Proposed Amendments to Tentative Marketing Agreements and Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a reopening of a public hearing held at Pueblo, Colorado, on June 26, 1962, pursuant to notice thereof which was issued June 6, 1962 (27 F.R. 5508), with respect to proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in the Colorado Springs-Pueblo and Eastern Colorado marketing areas.

Such public hearing will be reopened at the Green Room of the Antlers Hotel, Cascade Avenue and Pikes Peak Avenue, Colorado Springs, Colorado, beginning at 10:00 a.m. local time, on September 19, 1962.

Subjects and issues involved in the hearing. The purpose of the reopened hearing, which has been called upon the petition of the Eastern Colorado Dairy-men Association, Colorado Springs, Colorado; Red Canyon Dairy, Canon City, Colorado; Four Mile Dairy, Canon City, Colorado; and Morning Star Dairy, Florence, Colorado, is to afford interested persons the further opportunity to introduce additional evidence with respect to proposals Nos. 1, 2, and 15 of the original notice of hearing which deal with the expansion of the marketing area.

The proposal relative to a redefinition of the Colorado Springs-Pueblo marketing area raises the issue whether the provisions of the present order would tend to effectuate the declared policy of the Act, if they are applied to the marketing area as proposed to be redefined and, if not, what modifications of the provisions of the order would be appropriate.

Copies of this notice of hearing and the order may be procured from the Market Administrator, H. Alan Luke, 121 East Boulder, Colorado Springs, Colorado, and 2765 South Colorado Boulevard, Denver 22, Colorado, or from the Hearing Clerk, Room 112, Administration Building, United States Department of Agriculture, Washington 25, D.C., or may be there inspected.

Signed at Washington, D.C., on: August 24, 1962.

H. L. FOREST,

Director, Milk Marketing Orders
Division, Agricultural Stabiliza-
tion and Conservation Service.

[F.R. Doc. 62-8716; Filed, Aug. 29, 1962;
8:52 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 514]

[Reg. Docket No. 775; Draft Release No.
62-40]

AIRBORNE STATIC ELECTRICAL POW- ER INVERTER FOR AIR CARRIER AIRCRAFT

Proposed Technical Standard Order

Pursuant to the authority delegated to me by the Administrator (14 CFR Part 405) notice is hereby given that the Federal Aviation Agency has under consideration a proposal to amend Part 514 of the regulations of the Administrator by adding a § 514.79 establishing minimum performance standards for airborne static electrical power inverter equipment which is to be used on air carrier aircraft. These standards are necessary to provide a basis for the approval of such equipment under the Technical Standard Order system.

A previous notice of proposed rule making setting forth minimum standards for airborne static electrical power inverter equipment was published in 26 F.R. 5472. However, based upon the comments received in reference to such notice it was determined that certain substantive changes were necessary to the proposed standards. In this connection, a new paragraph 2.12 specifying radio interference requirements has been added to the proposal. Accordingly, this proposal will replace the notice of proposed rule making, 26 F.R. 5472, which is hereby withdrawn.

Interested persons may participate in the making of the proposed rule by submitting such written data, views or arguments as they may desire. Communications should be submitted in duplicate to the Docket Section of the Federal Aviation Agency, Room A-103, 1711 New York Avenue NW., Washington 25, D.C. All communications received on or before October 15, 1962, will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in light of comments received. All comments submitted will be available in the Docket Section for examination by interested persons at any time.

This amendment is proposed under the authority of sections 313(a) and 601 of the Federal Aviation Act of 1958 (72 Stat. 752, 775; 49 U.S.C. 1354(a), 1421).

In consideration of the foregoing it is proposed to amend Part 514 as follows:
By adding the following § 514.79:

§ 514.79 Airborne static electrical power inverter (for air carrier aircraft)—TSO-C73.

(a) *Applicability*—Minimum performance standards. Minimum performance standards are hereby established for airborne static electrical power inverter equipment which is to be used on civil aircraft of the United States engaged in air carrier operations. New models of airborne static electrical power inverter equipment manufactured for use on civil air carrier aircraft on or after the effective date of this section shall meet the standards set forth in FAA Standard, "Airborne Static Electrical Power Inverter", dated June 15, 1962.¹

(b) *Marking*. In addition to the markings specified in § 514.3(d), the equipment rating, as specified by the manufacturer, shall be shown.

(c) *Data requirements*. Six copies each, except where noted, of the following shall be furnished to the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Federal Aviation Agency, in the region in which the manufacturer is located:

(1) Manufacturer's operating instructions and equipment limitations.

(2) Installation procedures with applicable schematic drawings, wiring diagrams, and specifications. Indicate any limitations, restrictions, or other conditions pertinent to installation.

(3) One copy of the manufacturer's test report.

Issued in Washington, D.C., on August 23, 1962.

GEORGE C. PRILL,
Director,

Flight Standards Service.

[F.R. Doc. 62-8689; Filed, Aug. 29, 1962;
8:45 a.m.]

DEPARTMENT OF HEALTH, EDU- CATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 121]

FOOD ADDITIVES

Notice of Filing of Petition

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348 (b)(5)), notice is given that a petition (FAP 627) has been filed by Chapman

¹ Copies may be obtained upon request addressed to Publishing and Graphics Branch, Inquiry Section, MS-158, Federal Aviation Agency, Washington 25, D.C.

Chemical Company, P.O. Box 138, Memphis, Tennessee, proposing the issuance of a regulation to provide for the safe use of pentachlorophenol and its sodium salts as a preservative in lumber used in shipping and storage containers for food.

Dated: August 24, 1962.

J. K. KIRK,
Assistant Commissioner
of Food and Drugs.

[F.R. Doc. 62-8723; Filed, Aug. 29, 1962;
8:52 a.m.]

[21 CFR Part 121]

FOOD ADDITIVES

Notice of Filing of Petition

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348 (b)(5)), notice is given that a petition (FAP 883) has been filed by Ionac Chemical Company, a division of Pfaudler Permutit Inc., Birmingham, New Jersey, proposing the issuance of a regulation to provide for the safe use in food processing of the following ion-exchange resins:

Sulfonated coal cation exchanger.

Sulfonated styrene-divinylbenzene copolymer cation exchanger.

Polystyrene alkyl quaternary ammonium strong base anion exchanger.

Polystyrene alkanol quaternary ammonium anion exchanger.

Epichlorohydrin-tetraethylene pentamine polyamine anion exchanger.

Acetone formaldehyde-tetraethylene pentamine polyamine anion exchanger.

Dated: August 24, 1962.

J. K. KIRK,
Assistant Commissioner
of Food and Drugs.

[F.R. Doc. 62-8724; Filed, Aug. 29, 1962;
8:52 a.m.]

Notices

GENERAL SERVICES ADMINISTRATION

Defense Materials Service

REPORT OF PURCHASES UNDER PURCHASE REGULATIONS

June 30, 1962.

Regulation	Termination date	Unit	Program limitation (quantity)	Purchases ¹ during quarter		Cumulative purchases ¹ through end of quarter	
				Quantity	Amount	Quantity	Amount
Active programs:							
Public Law 206, 83d Cong.							
Beryl.....	6-30-62	Short dry tons, beryl ore.....	4,500	94	\$55,469	3,202	\$1,786,698
Mica.....	6-30-62	Short tons, hand-cobbed mica or equivalent.....	25,000	413	651,114	25,000	26,267,198
Completed programs:							
Public Law 206, 83d Cong.							
Asbestos.....	10- 1-57	Short tons, crude No. 1 and/or crude No. 2 asbestos.....	1,500			1,499	1,762,541
Columbium tantalum.....	12-31-58	Short tons, crude No. 3.....				850	340,070
Manganese:		Pounds, contained combined pentoxide.....	15,000,000			15,567,912	60,637,262
Butte-Phillipsburg.....	6-30-58	Long ton units, recoverable manganese.....	6,000,000			6,020,471	9,074,869
Deming.....	6-30-58	do.....	6,000,000			6,215,258	12,036,388
Wenden.....	6-30-58	do.....	6,000,000			6,108,316	10,743,179
Domestic small producers.....	1- 1-61	Long ton units, contained manganese.....	28,000,000			28,069,901	71,398,922
Tungsten.....	7- 1-58	Short ton units, tungsten trioxide.....	3,000,000			2,996,280	189,212,786
Public Law 520, 79th Cong.							
Chrome.....	6-30-59	Long dry tons, chrome ore and/or chrome concentrates.	200,000			199,961	18,588,036
Defense Production Act							
Mercury:							
Domestic.....	12-31-57	Flasks, prime virgin mercury.....	125,000			9,428	2,121,300
Do.....	12-31-58	do.....	30,000			17,463	3,938,879
Mexican.....	12-31-57	do.....	75,000			766	172,317
Do.....	12-31-58	do.....	20,000			2,508	570,797

¹ Quantities represent deliveries.

Date: August 23, 1962.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 62-8698; Filed, Aug. 29, 1962; 8:48 a.m.]

Office of the Secretary [Delegation of Authority No. 418]

SECRETARY OF DEFENSE

Authority to Represent Interests of Executive Agencies of Federal Government Before Federal Power Commission

1. Pursuant to the provisions of sections 201(a)(4) and 205 (d) and (e) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, authority to represent the interest of the executive agencies of the Federal Government in the matter of Increased Gas Rates, United Gas Pipe Line Company, before the Federal Power Commission Docket No. RP 60-1, is hereby delegated to the Secretary of Defense.

2. The Secretary of Defense is hereby authorized to redelegate any of the authority contained herein to any officer, official or employee of the Department of Defense.

3. The authority conferred herein shall be exercised in accordance with the policies, procedures and controls prescribed by the General Services Administration, and shall further be exercised in

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cooperation with the responsible officers, officials and employees of General Services Administration.

4. This delegation of authority shall be effective August 13, 1962.

Dated: August 23, 1962.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 62-8717; Filed, Aug. 29, 1962; 8:52 a.m.]

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Treasury Dept. Order No. 193-2]

OFFICE OF DOMESTIC GOLD AND SILVER OPERATIONS

Delegation of Authority

By virtue of the authority vested in me by Treasury Department Order 193-1, dated October 20, 1961, it is hereby ordered as follows:

The Administrative Officer of the Office of Domestic Gold and Silver Operations shall act as Director, Office of Domestic Gold and Silver Operations during the absence or disability of the

Director, or when there is a vacancy in such office.

[SEAL]

LELAND HOWARD,
Director, Office of Domestic
Gold and Silver Operations.

AUGUST 24, 1962.

[F.R. Doc. 62-8722; Filed, Aug. 29, 1962; 8:52 a.m.]

[Treasury Dept. Order No. 162-4]

COMMISSIONER OF ACCOUNTS

Delegation of Authority

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950, the authority conferred upon the Treasury Department by the President of the United States to liquidate the following agency is hereby delegated to the Commissioner of Accounts:

Name of agency and date of Presidential letter

The United States Study Commission, Texas..... Aug. 1, 1962.

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

AUGUST 23, 1962.

[F.R. Doc. 62-8721; Filed, Aug. 29, 1962; 8:52 a.m.]

DEPARTMENT OF DEFENSE

Department of the Army

STATEMENT OF ORGANIZATION AND FUNCTIONS

Reorganization of the Department of the Army

The following Department of Defense Reorganization Order, reorganizing the Department of the Army, was issued by the Secretary of Defense on January 10, 1962:

DEPARTMENT OF DEFENSE REORGANIZATION ORDER

REORGANIZATION OF THE DEPARTMENT OF THE ARMY

By virtue of the authority vested in me by section 202(c) of the National Security Act of 1947, as amended (72 Stat. 514; 5 U.S.C. 171a(c)), and as Secretary of Defense, it is hereby ordered as follows:

SECTION 1. *Abolition of officers and transfer of functions.* The following officers named in section 3036, Title 10, United States Code, are hereby abolished and their functions transferred to the Secretary of the Army:

- (a) Chief Signal Officer;
- (b) Adjutant General;
- (c) Quartermaster General;
- (d) Chief of Finance;
- (e) Chief of Ordnance;
- (f) Chief Chemical Officer, and
- (g) Chief of Transportation.

SEC. 2. *Transfer of functions from Chief of Engineers.* The functions vested in the Chief of Engineers by sections 3038 and 3533, Title 10, United States Code, are hereby transferred to the Secretary of the Army.

SEC. 3. *Performance of transferred functions.* The Secretary of the Army may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any office, agency, or employee of the Department of the Army of any function transferred to the Secretary by the provisions of this order.

SEC. 4. *Transitional provisions.* In order to assist in the orderly transfer of functions and to promote continuity of operation, the Secretary of the Army may, if he considers it necessary, delay beyond the effective date of this order the abolition of any office or transfer of any function.

SEC. 5. *Effective date.* The provisions of this order shall take effect on the date determined under section 202(c) of the National Security Act of 1947, as amended (72 Stat. 514; 5 U.S.C. 171a(c)), or the 16th day of February 1962, whichever is later.

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 62-8688; Filed, Aug. 29, 1962; 8:45 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

CALIFORNIA

Notice of Proposed Withdrawal and Reservation of Lands and Partial Termination Thereof

AUGUST 22, 1962.

The United States Department of Agriculture has filed an application, Serial Number Sacramento 072061 for the withdrawal of the lands described below, from prospecting, location, entry, and purchase under the mining laws, subject to existing valid claims. The applicant desires the land for use by the Forest Service as recreation areas.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 4201 U.S. Courthouse and Federal Building, 650 Capitol Avenue, Sacramento 14, California.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

MOUNT DIABLO MERIDIAN

PLUMAS NATIONAL FOREST

Little Grass Valley Reservoir Area

- T. 21 N., R. 9 E.,
Sec. 3: Lot 4.
T. 22 N., R. 9 E.,
Sec. 19: $S\frac{1}{2}SE\frac{1}{4}$;
Sec. 20: $S\frac{1}{2}S\frac{1}{2}$;
Sec. 21: $S\frac{1}{2}S\frac{1}{2}$;
Sec. 22: $SW\frac{1}{4}$;
Sec. 27: Lot 3, $NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$;
Sec. 28: $N\frac{1}{2}$, $N\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}$, $SE\frac{1}{4}$;
Sec. 29:
Sec. 30: $E\frac{1}{2}$, $SE\frac{1}{4}SW\frac{1}{4}$;
Sec. 31: Lots 1 and 2, $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$;
Sec. 32: $N\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}N\frac{1}{2}NW\frac{1}{4}SW\frac{1}{4}$;
Sec. 33: $SE\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$;
Sec. 34: Lots 4 and 5, $W\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$.

The area described immediately above aggregates approximately 3,459 acres of Federal land.

MOUNT DIABLO MERIDIAN

SIERRA NATIONAL FOREST

Lewis Creek Recreation Area

- T. 6 S., R. 21 E.,
Sec. 12: $S\frac{1}{2}NE\frac{1}{4}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$;
Sec. 13: $NW\frac{1}{4}SE\frac{1}{4}$;
Sec. 14: $NE\frac{1}{4}NE\frac{1}{4}$;
Sec. 24: $E\frac{1}{2}NW\frac{1}{4}$.

The area described immediately above aggregates approximately 370 acres of Federal land.

The applicant agency has cancelled its application insofar as it involved the lands described below, which were included in its application. Therefore, pursuant to the regulations contained in 43 CFR, Part 295, such lands will be at 10:00 a.m. on September 26, 1962, relieved of the segregative effect of the above-mentioned application.

The lands terminated are:

MOUNT DIABLO MERIDIAN

PLUMAS NATIONAL FOREST

Little Grass Valley Reservoir Area

T. 22 N., R. 9 E.,
Sec. 31: Lot 3, $NE\frac{1}{4}SW\frac{1}{4}$.

JOHN E. CLUTE,
Acting Manager, Land Office,
Sacramento.

[F.R. Doc. 62-8703; Filed, Aug. 29, 1962; 8:49 a.m.]

COLORADO

Notice of Proposed Withdrawal and Reservation of Lands

The Bureau of Reclamation of the Department of the Interior has filed an application, Colorado 081296 for withdrawal of the lands described below from public entry, under the first form of withdrawal, as provided by section 3 of the Act of June 17, 1902 (32 Stat. 388).

The applicant desires the land for reclamation purposes in connection with the Fruitgrowers Dam Project.

For a period of thirty days from the date of publication of this notice, persons having cause may present their objections in writing to the undersigned official of the Bureau of Land Management, Department of the Interior, Gas and Electric Building, 910 15th Street, Denver 2, Colo.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary of the Interior on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

SIXTH PRINCIPAL MERIDIAN, COLORADO

T. 14 S., R. 94 W.,
Sec. 18, $SE\frac{1}{4}SW\frac{1}{4}$;
Sec. 19, $N\frac{1}{2}NW\frac{1}{4}$.

The above described area aggregates approximately 120 acres.

HAROLD T. TYSK,
Chief,

Division of Lands and Minerals.

[F.R. Doc. 62-8702; Filed, Aug. 29, 1962; 8:49 a.m.]

[No. 63-5]

OREGON

Notice of Proposed Withdrawal and Reservation of Additional Lands

AUGUST 21, 1962.

The Department of Agriculture has amended its application, Serial No. Ore-

gon 012268, for the withdrawal of the additional lands described below, from entry under the mining laws, subject to existing withdrawals and valid existing rights. Notice of proposed withdrawal and reservation of land under this application, Oregon 012268, was published as F.R. Doc. 62-7027; Filed, July 18, 1962; 8:49 a.m., on pages 6904-5 of the issue of July 20, 1962.

The applicant desires the exclusion of mining activity to permit proper protection for the purpose of conserving, developing, and making accessible for the inspiration, enjoyment, and use of all American people of present and future generations the recreational and scenic resources of the area.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 710 NE Holladay, Portland 12, Ore.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the amended application are:

WILLAMETTE MERIDIAN, OREGON

SIUSLAH NATIONAL FOREST

Oregon Dunes Recreation Area Addition

T. 20 S., R. 12 W.,
Sec. 30: Lots 1, 2, 3.

T. 23 S., R. 13 W.,
Sec. 14: N $\frac{1}{2}$ SW, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

The total area of additional lands in the amended application contains approximately 209.14 acres.

RUSSELL E. GETTY,
State Director.

[F.R. Doc. 62-8704; Filed, Aug. 29, 1962;
8:49 a.m.]

[I-45]

UTAH

Notice of Proposed Withdrawal for Preservation of Scenic and Geologic Features and Spring Ridge Administrative Site; Correction

AUGUST 23, 1962.

The notice of proposed withdrawal of lands from location and entry under the General Mining Laws for the United States Department of Agriculture published in the FEDERAL REGISTER of August 16, 1962, on page 8192, F.R. Doc. 62-8226, is hereby corrected to describe the third parcel in sec. 9, T. 2 N., R. 19 E.: "SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ ".

R. D. NIELSON,
State Director.

[F.R. Doc. 62-8701; Filed, Aug. 29, 1962;
8:48 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Amdt. 3]

NOTICE OF TERMS AND CONDITIONS FOR MAKING PAYMENTS UNDER SECTION 32 TOBACCO EXPORT PAYMENT PROGRAM

The notice published on March 10, 1962 (27 F.R. 2329), provided that applications must be submitted by November 30, 1962, and that export shipment must be made on or before December 31, 1962. In many instances, it is difficult to complete arrangements for shipment within 30 days. In order to make full use of the time for submission of applications, the final date for shipment of tobacco is being extended. Accordingly, the second sentence of paragraph 9 of the notice is hereby amended to read as follows: "Export shipment shall be made after date of approval of the related Application for Participation and on or before April 1, 1963, unless such date is extended by the Secretary in writing."

STEPHEN E. WRATHER,
Director, Tobacco Division,
Agricultural Marketing Service.

AUGUST 20, 1962.

[F.R. Doc. 62-8734; Filed, Aug. 29, 1962;
8:54 a.m.]

Agricultural Stabilization and Conservation Service

SUGARBEETS

Notice of Hearing

Notice is hereby given that the Secretary of Agriculture, acting pursuant to the Sugar Act of 1948, as amended by Public Law 87-535, is preparing to consider the commitment of the sugarbeet acreage reserve with respect to the 1962, 1963, 1964, and 1965 crops of sugarbeets. This reserve is provided for in the act for the growth and expansion of the beet sugar industry. An informal public hearing on the matter will be held in the Auditorium of the Natural History Building, Smithsonian Institution, 10th and Constitution Avenue NW., Washington, D.C. beginning at 10 a.m., on September 25, 1962.

(1) *Submittal of requests for acreage.* Requests for reserve acreage for each of the crops of 1962 through 1965 (preferably one request for each project) shall be addressed to the Director, Sugar Division, Agricultural Stabilization and Conservation Service, United States Department of Agriculture, Washington 25, D.C., and shall be submitted in triplicate at the hearing. Interested persons will be given the opportunity at the hearing to submit data, views and arguments in regard to such requests. Provision for submitting written arguments and briefs after the hearing will be announced at the hearing. The Department will announce, at a later date, the place and

date for a hearing with respect to receiving requests for acreage for the 1966 crop.

(2) *Specifications to be covered in requests.* Requests for reserve acreage should include all relevant information, including the following:

(a) The location of the processing facility and concise delineation of the area wherein the beets for the new or expanded facility will be grown.

(b) The acreage desired and its sugar equivalent, including the basis for the estimate of the sugar equivalent; also the crop year when the new facility would commence processing sugarbeets or when the expansion in the old facility would be effective, and, if a case can be made for commencement in an alternate year, the alternate year for which consideration is desired if the reserve acreage has been committed for the year of first choice.

(c) In the case of a new factory, the daily slicing capacity and the contemplated slicing period. In the case of an expanded facility, the details of the expansion, including the percentage of such expansion and the full details of the changes made in the facilities.

(d) A complete description of the arrangements made for capital financing. The firmness of the capital commitment would be considered as shown by the applicant if all arrangements for the necessary funds for the project, contingent only upon the commitment of an acreage by the Secretary, have been completed.

(e) The suitability of the area for growing sugarbeets, as evidenced by any production records, results of plantings on test plots which were performed and supervised by competent authorities, a showing of the availability of irrigation water or of adequate rainfall, availability of suitable land, and other evidence relating to the continued feasibility of growing the required sugarbeets in the area, including also proof of interest of farmers in entering into and continuing in sugarbeet production.

(f) The proximity of other factories and the extent to which sugarbeets are now being produced in the area in which the beets for the new or expanded facility will be contracted.

(g) The need for a cash crop or a replacement crop in the area, including a full statement regarding the crops presently being grown and the crops which are to be replaced by sugarbeets.

(h) The accessibility to sugar markets, as indicated by population data, the extent of the existence in the proposed markets of industrial users of sugar, distances and freight costs to proposed sales areas and the extent and nature of the competition for the market in such areas.

(i) The estimated amount of acreage that would be supplied by each of the following categories and subcategories of growers and the number of growers involved in each instance (all reference to sugarbeets relates to those grown for the extraction of sugar):

For an expanded facility. Growers who did not grow sugarbeets during any of the three years immediately preceding the year when the facility will become operative; growers who grew sugarbeets during all three such years (a) for the proposed expanded facility or (b) for another facility; growers who grew sugarbeets during only the immediately preceding two of such years (a) for the proposed expanded facility or (b) for another facility; and growers who grew sugarbeets during only the immediately preceding year of such years (a) for the proposed expanded facility or (b) for another facility.

For a new facility. Growers who did not grow sugarbeets for any facility during any of the three years immediately preceding the year when the facility will become operative; growers who grew sugarbeets for another facility during all three such years; growers who grew sugarbeets during only the immediately preceding two of such years, and growers who grew sugarbeets during only the immediately preceding first of such years.

Sugar marketing allotments. The submission of views, data, or evidence with respect to sugar marketing allotments under section 205(a) of the Sugar Act of 1948, as amended, should be made at such hearings as will be held for establishing marketing allotments. Public notice of such hearings will be given by publication in the FEDERAL REGISTER.

Provisions of Sugar Act and legislative history. Section 302(b) of such Act was amended to read as follows:

*** (3) In order to make available acreage for growth and expansion of the beet sugar industry, the Secretary, in addition to protecting the interest of new and small producers by regulations generally similar to those heretofore promulgated by him pursuant to this Act, shall reserve each year from the national sugarbeet acreage requirement established by him the acreage required to yield 65,000 short tons, raw value, of sugar. The acreage so reserved shall be distributed on a fair and reasonable basis, when it can be utilized, to farms without regard to any other acreage allocations to States or areas within States determined by him and shall be withheld from such other allocations until it can be so utilized: *Provided, however,* That beginning with 1966, the total acreage previously reserved and not used, plus that reserved in the current year, shall not exceed the acreage required to produce 100,000 short tons, raw value, of sugar. At the time the Secretary distributes the sugarbeet acreage reserve for any year, which determination of distribution shall be made as far in advance of such year as practicable, such distribution shall thereby be committed to be in effect for the year in which production of sugarbeets is scheduled to commence in a locality or localities determined by the Secretary to receive such reserves for such year, such determination of distribution by the Secretary shall be final, and such commitment of the sugarbeet acreage reserve shall be irrevocable upon issuance of such determination of the Secretary by publication in the FEDERAL REGISTER; except that if the Secretary finds in any case that construction of sugarbeet processing facilities and the contracting for processing of sugarbeets has not proceeded in substantial accordance with the representations made to him as a basis for his determination of distribution of the sugarbeet acreage reserve, he shall revoke such determination in ac-

cordance with and upon publication in the FEDERAL REGISTER of such findings. In determining distribution of the sugarbeet acreage reserve and whenever proposals are made to construct sugarbeet processing facilities in two or more localities where sugarbeet production is scheduled to commence in the same year, the Secretary shall base his determination and selection upon the firmness of capital commitment, suitability for growing sugarbeets, the proximity of other mills, need for a cash crop or a replacement crop, and accessibility of sugar markets, and the relative qualifications of localities under such criteria. Whenever there is no interest in constructing a new facility to commence production in a certain year, the Secretary shall give consideration to proposals, if any, to substantially expand existing factory facilities and in such event he shall base his determination of distribution of the sugarbeet acreage reserve on the aforementioned criteria and the extent of the proposed substantial expansion or expansions. If proportionate shares are in effect in the two years immediately following the year for which the sugarbeet acreage reserve is committed for any locality, the acreage of proportionate shares established for farms in such locality in each of such two years shall not be less than the smaller of the acreage committed to such farms or the acreage required to yield 50,000 short tons, raw value, of sugar based upon the yield expectancy initially considered by the Secretary in distributing the sugarbeet acreage reserve to such locality.

(4) The allocation of the national sugarbeet acreage requirement to States for sugarbeet production, as well as the distribution of the sugarbeet acreage reserve, shall be determined by the Secretary after investigation and notice and opportunity for an informal public hearing. * * *

The following contains information relating to the legislative history of this acreage reserve provision of the Act, H.R. Rep. No. 1829, 87th Congress, 2d Session, commencing on page 6, states, in part, as follows (it should be noted that the bill as then reported provided for the reserve of an acreage to yield 50,000 tons of sugar and that the latter figure was increased to 65,000 tons in the legislation as enacted):

PROVISION FOR NEW BEET FACTORIES

The provisions of the sugar bill providing for growth and expansion of the beet sugar industry take the form of an amendment to section 302(b) of the present law, the section which authorizes the Secretary to establish and allocate proportionate shares to sugarbeet farms.

Under the terms of the bill, the Secretary shall, in order to make available acreage for growth and expansion of the beet sugar industry, reserve each year, from the national sugarbeet acreage requirement established by him, not in excess of the acreage required to yield 50,000 short tons, raw value of sugar. On the basis of the national average yield of 2½ tons of sugar per acre, this provision would permit the Secretary to establish a sugarbeet acreage reserve of 20,000 acres. In areas where the sugar yield per acre is less, the sugarbeet acreage reserve might be somewhat greater and in the areas where the sugar yield per acre is higher than the national average, the sugarbeet acreage reserve might be less than 20,000 acres. In any event, regardless of the sugar yield per acre of any area to which the sugarbeet acreage reserve might be distributed, such area will have an opportunity to produce enough sugarbeets to support the operation of a sugar plant having a production capacity of 1 million hundred-pound bags of refined sugar.

The reasonableness of this figure is confirmed by three facts: (1) The average production of the 61 beet sugar plants in operation in 1961 in the United States was less than 800,000 hundred-pound bags of refined sugar. (2) A study by an independent, reputable engineering firm recently recommended to interested producers in one of the important sugarbeet producing areas the economic feasibility of a factory with a capacity slightly under 1 million bags. (3) Even in areas where conditions might suggest the feasibility of a plant eventually having a larger capacity, it is generally recognized that a 1-million-bag output would be adequate to underwrite successfully the initiation of such a plant.

The bill provides that the sugarbeet acreage reserve shall be established only in years when restrictive proportionate shares are in effect. It is unnecessary to establish acreage priorities in years when plantings of producers, whether old or new, are not restricted by the Government.

The bill provides that the sugarbeet acreage reserve shall be distributed by the Secretary, after investigation and notice and opportunity for public hearing, on a fair and reasonable basis to farms without regard to other acreage allocations to States or areas within States. Except as indicated, the bill does not contain any standards to guide the Secretary in distributing the sugarbeet acreage reserve. The sugarbeet acreage reserve is available for distribution to new growers supplying a new factory in a new area. The Secretary of Agriculture stated in his testimony before the House Agriculture Committee that, in distributing the sugarbeet acreage reserve, he would give priority to new growers for a new factory over new growers for an old factory. That such priority is inherently assured by the language and the origin of the pertinent provisions of the bill was underscored by the comments of Congressman Poage in the record of the House hearings.

In the event of the proposed opening of more than one new factory in a single year, the Secretary would have to decide which new growers group, taking into account all the relevant facts, has the more valid claim. The Secretary's decision in 1 year would, of course, be without prejudice to the position of any losing group in a subsequent year.

Quite properly the bill does not undertake to define a new area. A new area could include a State where sugarbeets have never been commercially grown, such as Maine or Missouri; a State where sugarbeets have not been commercially grown for a number of years, such as New York; a State where only a few beets, for sugar or for seed, are now being grown, such as Texas, New Mexico, Indiana, or Arizona; or a State where sugarbeets are being commercially grown in significant volume, such as Nebraska, California, North and South Dakota, Idaho, Washington, or Minnesota.

Growth and expansion of the beet-sugar industry is also possible through increases in the capacities of existing plants. Subject to the priority claims of new growers for new plants in new areas, the sugarbeet acreage reserve is available for distribution to new growers supplying beets to an old plant which is being expanded. Such new growers would, of course, have prior claims over old growers who might wish to expand their production to supply the additional beets needed for the expanded plant. If two or more plants are expanded in a single year, the Secretary has to decide which new grower groups, or which old grower groups, have the most valid claim to all, or some part, of the sugarbeet acreage reserve available for distribution.

The sugarbeet acreage reserve provided by the bill is in addition to provisions already

in the law authorizing the Secretary to protect the interest of new and small producers.

It is estimated that about 70,000 tons of quota will be credited annually to the beet area as a result of its share of the 63 percent of market growth reserve for continental areas. It is generally assumed that U.S. market growth is about 150,000 tons a year; 63 percent of this amount is roughly 95,000 tons. Under the bill the 95,000 tons is split approximately 3 to 1 between the domestic beet and mainland cane areas—70,000 tons for beets, 25,000 tons for cane.

The 50,000 tons needed for the sugarbeet acreage reserve is thus covered by the annual growth increment accruing to the domestic beet area. The difference (20,000 tons) between the expected growth increment (70,000 tons) and the maximum sugarbeet acreage reserve (50,000 tons), however, cannot be construed as being available for "expansion" of the existing industry because it is not enough to absorb the industry's annual technological growth, which amounts to about 50,000 tons.

Accordingly, under the terms of the bill most of the annual technological growth of the industry—that is, higher sugar yields per acre—will have to be absorbed by the old beet grower group. This could involve a cut in old grower acreages.

The probability of future acreage reductions for old growers is compounded by the level of the basic beet quota—2,650,000 tons as compared with a 1962 crop now estimated to yield 2,800,000 tons of sugar. The low level of the industry's current carryover, due to last year's below average yields, will probably avoid the need for acreage cuts for old beet growers for 1963. Under these circumstances, as Secretary Freeman has said, acreage restrictions next year appear unlikely.

In summary: The sugarbeet acreage reserve may equal only the equivalent of one million-bag factory a year for new growers. The 1 million-bag-a-year technological growth of the industry may have to be carried, in large part, by the old growers—and by the new growers after they enter the business. The conservative level of the basic quota, and the modest growth increment, awarded the domestic beet industry in the bill reveal clearly, on analysis, the willingness of the beet industry, old and new, to make a real contribution to industry unity, to permit the foreign suppliers to continue to have a guaranteed share of about 40 percent of the U.S. sugar market.

Senate Rep. No. 1631, 87th Congress, 2d Session, commencing on page 5, states, in part, as follows:

Under the terms of the bill, the Secretary would, in order to make available acreage for growth and expansion of the beet sugar industry, reserve each year, from the national sugarbeet acreage requirement established by him, the acreage required to yield 65,000 tons, raw value of sugar. On the basis of the national average yield of 2½ tons of sugar per acre, this provision would permit the Secretary to establish a sugarbeet acreage reserve of 26,000 acres. In areas where the sugar yield per acre is higher than the national average, the sugarbeet acreage might be somewhat less. In any event, regardless of the sugar yield per acre of any area to which the sugarbeet acreage reserve might be distributed, such area will have an opportunity to produce enough sugarbeets to support the operation of a sugar plant having a production capacity of about 1 million hundred-pound bags of refined sugar.

It has been ascertained that an efficient mill can be operated on the basis of about 1 million hundred-pound bags of refined sugar which, on the average, would come from 50,000 tons, raw value, of sugar which, in turn, would be produced on 20,000 acres of average land. The bill, as reported, would, therefore, cause the accrual of some 6,000

acres per year over and above that necessary for the establishment of one efficient factory per year. Thus, at the end of 3 years, the Secretary would be able to allow or provide for the establishment of an extra new factory.

The average production of the 61 sugarbeet plants in the United States is less than 800,000 hundred-pound bags of refined sugar. The provision for one new factory each year could be made by reserving 20,000 acres each year for new beet production and the bill, as reported, would provide for 65,000 tons of new production each year which would be grown on 26,000 acres. At the end of 3 years the Secretary would have approximately 18,000 acres capable of producing 45,000 tons of sugar to allocate to a new area where an extra mill could be established.

Under the bill, as reported the sugarbeet acreage reserve is to be distributed by the Secretary, after investigation and notice and opportunity for public hearing, on a fair and reasonable basis to farms without regard to other acreage allocations to States or areas within States. The sugarbeet acreage reserve is available for distribution to new growers supplying a new factory in a new area. The language of the bill assures that the Secretary of Agriculture, in distributing the sugarbeet acreage reserve will give priority to new growers for a new factory over new growers for an expanded old factory. The Secretary must not assign any of this reserve to old areas unless he determines that the reserve, or portion thereof, cannot be assigned cumulatively, for the life of this extension, to prospective new areas for new mills. When the reserve beyond that needed for one factory per year reaches the point where an extra factory might be provided in any one year, the Secretary will take into account all the relevant facts and decide which growing group has the more valid claim. The Secretary's decision in any one year would, of course, be entirely without prejudice to the position of any group that had not been successful in acquiring a priority.

The bill does not undertake to define a new area. The Secretary, with all the facts of the immediate time of the consideration before him, will make such a decision. It may be assumed that the Secretary will formulate a workable definition. It would appear that a new area should not be compelled to show that no sugarbeets at all are now being raised, as there may be qualified areas where a few farmers have had some small sugarbeet history with beet shipments being made over great distances to be processed with the grower absorbing part of the freight charges. On the other hand, an area in which sugarbeet raising is and has been an important and significant part of agriculture might not qualify as a new area.

The growth and expansion of the beet-sugar industry is also possible through increases in the capacities of existing plants. The bill expands the share of the market growth allocated to domestic producers of beets and cane to 65 percent. The growth factor is such that approximately 160,000 tons of sugar are consumed each year over and above that consumed in the prior year. Thus, 65 percent reserved for new production in the United States would provide for 104,000 tons more for domestic production, cane and beet, new and old.

The Conference Report, No. 1957, 87th Congress, 2d Session states in part on page 15, paragraph 4: The bill * * * "Stipulates that the Secretary of Agriculture, in order to make available acreage for growth and expansion of the beet sugar industry, reserve each year, from the national sugarbeet acreage requirement, not in excess of the acreage required to yield 65,000 tons, which represents a reserve amounting to the average

production of approximately 26,000 acres. This reserve would be distributed to farms without regard to other acreage allocations to States or to areas within States. The sugarbeet acreage reserve would be available for distribution to new growers supplying a new factory in a new area, and it is contemplated that this would enable the establishment of one new factory each year with two factories in each third year."

Pages 10011, 10012, 11009, 11010, 11011, 11014, 11016, 11017, 11018, 11034, 11499, and 11583 of Volume 108 of the Congressional Record contain general discussion concerning the acreage reserve.

Signed at Washington, D.C., on August 27, 1962.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 62-8731; Filed, Aug. 29, 1962; 8:53 a.m.]

Office of the Secretary SOUTH DAKOTA

Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321(a) of Public Law 87-128 (7 U.S.C. 1961) it has been determined that in Aurora County, South Dakota, natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named county after June 30, 1963, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 27th day of August 1962.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 62-8735; Filed, Aug. 29, 1962; 8:54 a.m.]

DEPARTMENT OF COMMERCE

Bureau of the Census

ANNUAL SURVEYS IN MANUFACTURING AREA

Notice of Consideration

Notice is hereby given that the Bureau of the Census is considering a proposal to conduct additional annual surveys listed below for the year 1961 and for each year thereafter, under the authority of Title 13, United States Code, sections 181, 224, and 225 approved August 31, 1954. These annual surveys are additions to those included in a notice published January 3, 1962 (27 F.R. 20). Such surveys relate to important indus-

try areas within manufacturing and on the basis of information and recommendations received by the Bureau of the Census, the data have significant application to the needs of the public and industry and are not available on an adequate basis from other Governmental agencies or private sources.

In 1958 the establishments to be covered by these new surveys directly employed about 475 thousand persons; shipped products valued at \$6.8 billion; and purchased supplies and services from other industries costing \$2.7 billion. The shipments data to be collected in these surveys will fill gaps in the statistical picture available for those major product areas; will furnish valuable statistical information for the use of industry, trade associations, and Government; and will satisfy the expressed needs of Government and industry for such information.

Report forms furnishing quantity and value of shipments data will be required from all producers of the products covered by these surveys.

The following surveys are included in this announcement:

Switchgear, switchboard apparatus, relays and industrial controls.
Selected instruments and related products.
Selected electronic and associated products.

The surveys, if conducted, shall begin not earlier than 30 days after publication of this notice in the **FEDERAL REGISTER**.

Copies of the proposed forms are available on request to the Director, Bureau of the Census, Washington 25, D.C.

Any suggestions or recommendations concerning the subject matter of these proposed surveys should be submitted in writing to the Director of the Census within 30 days after the date of publication and will receive consideration.

Dated: August 24, 1962.

RICHARD M. SCAMMON,
Director, Bureau of the Census.

[F.R. Doc. 62-8712; Filed, Aug. 29, 1962; 8:51 a.m.]

Office of the Secretary

JAMES A. BRANDT

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the **FEDERAL REGISTER** during the past six months.

- A. Deletions: No change.
- B. Additions: No change.

This statement is made as of July 27, 1962.

JAMES A. BRANDT.

AUGUST 23, 1962.

[F.R. Doc. 62-8711; Filed, Aug. 29, 1962; 8:51 a.m.]

No. 169—Pt. I—4

CIVIL AERONAUTICS BOARD

[Docket 13873]

BLATZ AIRLINES, INC.

Notice of Oral Argument

Application for Interim Certification under Public Law 87-528:

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be held on September 12, 1962, at 2:30 p.m., e.d.s.t., in Room 1027, Universal Building, Florida and Connecticut Avenues NW., Washington, D.C., before the Board.

Blatz Airlines, Inc., will be allotted one hour for the presentation of its argument. The Bureau of Economic Regulation and air carriers opposing the grant of this authority will be allotted a total of one hour for argument. These parties will be expected to divide the one hour allotted to them and to notify this office not later than September 6, 1962, of the allocation and name of the representative who will present the argument. Counsel for Blatz Airlines, Inc., may reserve not to exceed one-quarter of its allotted time for rebuttal.

Dated at Washington, D.C., August 27, 1962.

[SEAL] **FRANCIS W. BROWN,**
Chief Examiner.

[F.R. Doc. 62-8727; Filed, Aug. 29, 1962; 8:52 a.m.]

[Docket 12258 etc.]

C. E. WALTS AND HI-PLAINS AIRWAYS

Notice of Oral Argument

In the matter of the applications of C. E. Walts, d/b/a Hi-Plains Airways, Inc., et al., for certificates and/or amendment of certificates of public convenience and necessity.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be heard on September 26, 1962 at 10 a.m., e.d.s.t., in Room 1027, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the Board.

Dated at Washington, D.C., August 27, 1962.

[SEAL] **FRANCIS W. BROWN,**
Chief Examiner.

[F.R. Doc. 62-8728; Filed, Aug. 29, 1962; 8:52 a.m.]

STANDARD AIRWAYS, INC.

Notice of Oral Argument

Application for Interim Certification under Public Law 87-528;

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument

in the above-entitled proceeding is assigned to be held on September 12, 1962, at 10 a.m., e.d.s.t., in Room 1027, Universal Building, Florida and Connecticut Avenues NW., Washington, D.C., before the Board.

Standard Airways, Inc., will be allotted one hour for the presentation of its argument. The Bureau of Economic Regulation and air carriers opposing the grant of this authority will be allotted a total of one hour for argument. These parties will be expected to divide the one hour allotted to them and to notify this office not later than September 6, 1962, of the allocation and name of the representative who will present the argument. Counsel for Standard Airways, Inc., may reserve not to exceed one-quarter of its allotted time for rebuttal.

Dated at Washington, D.C., August 27, 1962.

[SEAL] **FRANCIS W. BROWN,**
Chief Examiner.

[F.R. Doc. 62-8729; Filed, Aug. 29, 1962; 8:52 a.m.]

[Docket 12837, etc.]

UNITED AIR LINES, INC., COMPETITIVE SERVICE INVESTIGATION

Notice of Hearing

In the matter of competitive service between Cleveland-Chicago, Cleveland-New York, Cleveland-Philadelphia, and Philadelphia-Detroit.

Notice is hereby given, pursuant to the Federal Aviation Act of 1958, as amended, that the hearing in the above-entitled proceeding will be held September 18, 1962, at 10:00 a.m., e.d.t., in Room 725 Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before the undersigned Examiner.

For further information regarding the issues involved herein interested persons may refer to the pertinent applications, orders of the Board, and the prehearing conference report, all of which are on file in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., August 24, 1962.

[SEAL] **HERBERT K. BRYAN,**
Hearing Examiner.

[F.R. Doc. 62-8726; Filed, Aug. 29, 1962; 8:52 a.m.]

[Docket 13896]

COLUMBIA AIRLINES

Application for Interim Certification; Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be held on September 13, 1962, at 2:30 p.m. (eastern daylight saving time), in Room 1027, Universal Building, Florida and Connecticut Avenues NW., Washington, D.C., before the Board.

Air Cargo Express, Inc., d/b/a Columbia Airlines will be allotted one hour for the presentation of its argument. The Bureau of Economic Regulation and air carriers opposing the grant of this authority will be allotted a total of one hour for argument. These parties will be expected to divide the one hour allotted to them and to notify this office not later than September 6, 1962, of the allocation and name of the representative who will present the argument. Counsel for Air Cargo Express, Inc., d/b/a Columbia Airlines may reserve not to exceed one-quarter of its allotted time for rebuttal.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 62-8776; Filed, Aug. 29, 1962;
8:54 a.m.]

[Docket 13902]

CALIFORNIA HAWAIIAN AIRLINES

Application for Interim Certification; Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be held on September 14, 1962, at 10 a.m. (eastern daylight saving time), in Room 1027, Universal Building, Florida and Connecticut Avenues NW., Washington, D.C., before the Board.

Airline Transport Carriers, Inc., d/b/a California Hawaiian Airlines, will be allotted one hour for the presentation of its argument. The Bureau of Economic Regulation and air carriers opposing the grant of this authority will be allotted a total of one hour for argument. These parties will be expected to divide the one hour allotted to them and to notify this office not later than September 6, 1962, of the allocation and name of the representative who will present the argument. Counsel for Airline Transport Carriers, Inc., d/b/a California Hawaiian Airlines, may reserve not to exceed one-quarter of its allotted time for rebuttal.

Dated at Washington, D.C., August 27, 1962.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 62-8777; Filed, Aug. 29, 1962;
8:54 a.m.]

[Docket 13892]

SOURDOUGH AIR TRANSPORT

Application for Interim Certification; Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be held on September 14, 1962, at 2:30 p.m. (eastern daylight saving time) in Room 1027, Universal Building, Florida and Connecticut Avenues, NW., Washington, D.C., before the Board.

Sourdough Air Transport will be allotted one hour for the presentation of its argument. The Bureau of Economic Regulation and air carriers opposing the

grant of this authority will be allotted a total of one hour for argument. These parties will be expected to divide the one hour allotted to them and to notify this office not later than September 6, 1962, of the allocation and name of the representative who will present the argument. Counsel for Sourdough Air Transport may reserve not to exceed one-quarter of its allotted time for rebuttal.

Dated at Washington, D.C., August 27, 1962.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 62-8778; Filed, Aug. 29, 1962;
8:54 a.m.]

[Docket 13908]

UNITED STATES OVERSEAS AIRLINES, INC.

Application for Interim Certification; Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be held on September 13, 1962, at 10 a.m. (eastern daylight saving time) in Room 1027, Universal Building, Florida and Connecticut Avenues NW., Washington, D.C., before the Board.

United States Overseas Airlines, Inc., will be allotted one hour for the presentation of its argument. The Bureau of Economic Regulation and air carriers opposing the grant of this authority will be allotted a total of one hour for argument. These parties will be expected to divide the one hour allotted to them and to notify this office not later than September 6, 1962, of the allocation and name of the representative who will present the argument. Counsel for United States Overseas Airlines, Inc., may reserve not to exceed one-quarter of its allotted time for rebuttal.

Dated at Washington, D.C., August 27, 1962.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 62-8779; Filed, Aug. 29, 1962;
8:54 a.m.]

FEDERAL POWER COMMISSION

[Project No. 2317]

APPALACHIAN POWER CO.

Notice of Application for Preliminary Permit

AUGUST 22, 1962.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by Appalachian Power Company (correspondence to: H. A. Kammer, Vice President, Appalachian Power Company, Post Office Box 7, Church Street Station, New York 8, New York) for preliminary permit for proposed water power Project No. 2317, to be located on New River, Grayson County, Virginia, and Allegheny County, North Carolina, in the

vicinity of Independence, Fries, and Galax, Virginia.

The proposed project would be a pumped-storage type of development comprising: Upper Dam and Reservoir—a dam to be located on New River about 5 miles upstream from the mouth of Elk Creek, a reservoir with an area of 15,000 acres at full pool and a capacity of 960,000 acre-feet extending about 36 miles upstream, and a powerhouse; and Lower Dam and Reservoir—a dam to be located about 12 miles downstream from the Upper Dam, a reservoir with an area of 2,000 acres at full pool and a capacity of 60,000 acre-feet extending to the Upper Dam, and a powerhouse. The powerhouses will be located near each dam, will be supplied with water by means of tunnels and/or penstocks, and will have a combined installation of about 400,000 kilowatts.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is October 15, 1962. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 62-8693; Filed, Aug. 29, 1962;
8:45 a.m.]

[Docket Nos. CP62-28; CI62-53]

EL PASO NATURAL GAS CO. AND SHELL OIL CO.

Notice of Postponement of Hearing

AUGUST 23, 1962.

Take notice that the hearing in the above-docketed proceeding heretofore scheduled to commence on September 10, 1962, by notice issued June 6, 1962, and published in the FEDERAL REGISTER on June 13, 1962, (27 F.R. 5625) be and hereby is postponed to a date to be fixed by further notice.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 62-8691; Filed, Aug. 29, 1962;
8:45 a.m.]

[Docket No. CP62-215]

KANSAS-NEBRASKA NATURAL GAS CO., INC.

Notice of Application and Date of Hearing

AUGUST 23, 1962.

Take notice that on March 15, 1962, Kansas-Nebraska Natural Gas Company, Inc. (Applicant) filed an application, as supplemented on May 16, 1962, pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 63 miles of 2- and 3-inch lateral pipeline and five town border stations in order to render direct natural gas service to the communities of Polk, Winside, Sargent, and Comstock, Nebraska, and wholesale

service to Natural Gas Distributing Company of Nebraska (for resale in Grant, Nebraska).

Applicant proposes that the customers to be served contribute to the cost of the laterals, such contributions to be calculated by application of the "Michigan-Wisconsin 10-cent formula" as interpreted by Applicant. The estimated cost of the facilities proposed is \$309,500.

The estimated requirements of the five communities are as follows:

REQUIREMENTS IN MCF AT 14.73 P.S.I.A.

	1962	1963	1964	1965
Peak day.....	615	935	1,185	1,325
Annual.....	42,025	122,300	150,100	166,900

Of the estimated fourth year annual sales of 166,900 Mcf, approximately 38,500 Mcf per year will be used as fuel for internal combustion engines in the municipal power plants of Sargent and Winside.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on October 1, 1962, at 10:00 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before September 17, 1962.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 62-8692; Filed, Aug. 29, 1962; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-3842]

BLACK BEAR INDUSTRIES, INC.

Order Summarily Suspending Trading

AUGUST 24, 1962.

The common stock, par value 15 cents a share, of Black Bear Industries, Inc. (formerly Black Bear Consolidated Mining Co.), being listed and registered on the San Francisco Mining Exchange, a national securities exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on such Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's

Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of such security, otherwise than on a national securities exchange:

It is ordered, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934 that trading in said security on the San Francisco Mining Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for a period of ten (10) days, August 26, 1962, through September 4, 1962, both dates inclusive.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 62-8707; Filed, Aug. 29, 1962; 8:50 a.m.]

[File No. 24A-1465]

WYNNCO INVESTMENT CO.

Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing

AUGUST 24, 1962.

I. Wynnco Investment Company (Issuer), 233 West Venice Avenue, P.O. Box 1282, Venice, Florida, a Florida corporation, filed with the Commission on February 27, 1961, a notification on Form 1-A and an offering circular relating to a proposed public offering of 2,050 shares of \$100 par value Class B common stock at \$100 per share for an aggregate amount of \$205,000, for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) and Regulation A promulgated thereunder. Of these 2,050 shares, 1,050 were reserved for issue pursuant to the exercise of outstanding options held by promoters. To the extent these options were not exercised, the remaining underlying shares were to be offered to the public. The filing was completed on April 24, 1961, and the offering was commenced on May 1, 1961. Reports on Form 2-A were filed on December 4, 1961, and July 18, 1962, the latter report being amended on July 26, 1962.

II. The Commission has reasonable cause to believe that:

A. The terms and conditions of Regulation A have not been complied with in that:

1. The issuer has failed to file a revised offering circular at the expiration date of the nine-month period as required by Rule 256(e).

2. The issuer is an investment company as defined in section 3(a) of the Investment Company Act of 1940, and accordingly no exemption is available under Regulation A by reason of Rule 252(b)(2) thereunder.

3. The issuer has filed Form 2-A reports which fail to disclose adequately and accurately the number of shares sold

pursuant to the offering and the aggregate amount of proceeds received therefrom in violation of Rule 260.

B. The offering circular fails to meet the requirements of Regulation A, contains untrue statements of material facts, omits to state material facts and contains a misleading presentation of facts, in that the proceeds from the offering were not used for the purposes set out in the offering circular.

C. The issuer has failed to cooperate in that it has failed to state in its reports on Form 2-A, the date on which the last offer and/or sale of securities was made by the issuer and has failed to submit a list of the companies whose securities have been purchased by the issuer, as requested by the Atlanta Regional Office.

D. The offering was made in violation of section 17 of the Securities Act of 1933, as amended.

III. It is ordered, Pursuant to Rule 261(a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for hearing within thirty days after the entry of this order; that within twenty days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; that if no hearing is requested and none is ordered by the Commission, this order shall become permanent on the thirtieth day after its entry and shall remain in effect unless or until it is modified or vacated by the Commission; and that notice of the time and place for any hearing will be promptly given by the Commission.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 62-8708; Filed, Aug. 29, 1962; 8:50 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority No. 30-II-1
(Rev. 2)]

CHIEF, FINANCIAL ASSISTANCE DIVISION, NEW YORK REGIONAL OFFICE

Delegations Relating to Financial Assistance Functions

I. Pursuant to the authority delegated to the Regional Director by Delegation of Authority No. 30 (Revision 7) 27 F.R. 6247 there is hereby redelegated to the Chief, Financial Assistance Division, the authority:

A. *Financial assistance.* 1. To approve the following:

- a. Direct loans not exceeding \$50,000.
- b. Participation loans not exceeding \$150,000.
- c. Limited loan participation not exceeding \$25,000.
- d. Small loans not exceeding \$25,000.
- e. Disaster loans not exceeding \$50,000.

2. To enter into business loan and disaster loan participation agreements with banks.

3. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read:

(Name), *Administrator*,
By _____,
(Name)
Chief, Financial Assistance Division.

4. To cancel, reinstate, modify and amend authorizations for business or disaster loans.

5. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

6. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

7. To approve service charges by participating bank not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

8. To take all necessary actions in connection with the administration, servicing, collection and liquidation of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator;

b. The execution and delivery of contracts of sale or of lease or sublease, quit-claim, bargain and sale or special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

B. *Eligibility.* 1. To make original determinations and determinations upon the reconsideration thereof as to which concerns are small business within the meaning of the Small Business Size Standards Regulations, as amended, except no determinations will be made in those cases which involve questions of

dominance, questions relating to cooperatives, and questions involving franchise, license or other contractual agreements, unless otherwise authorized. This authorization does not permit the issuance of Small Business Certificates. This authority is limited to the Financial Assistance program only.

C. *Administration.* 1. To approve annual and sick leave for employees under his supervision, other than advanced annual and sick leave.

2. To authorize and approve official travel other than travel involving a change of official duty station.

II. The authority delegated herein may be redelegated, except Item I.B.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Chief, Financial Assistance Division.

IV. All previous authority delegated by the Regional Director to the Chief, Financial Assistance Division, is hereby rescinded without prejudice to actions taken under such delegation.

Effective Date: August 10, 1962.

CHARLES H. KRIGER,
Regional Director.

[F.R. Doc. 62-8709; Filed, Aug. 29, 1962;
8:50 a.m.]

[Delegation of Authority No. 30-II-11
(Rev. 1)]

CHIEF, LOAN PROCESSING SECTION, F.A.D., NEW YORK REGIONAL OFFICE

Delegations Relating to Financial Assistance Functions

I. Pursuant to the authority delegated to the Chief, Financial Assistance Division, by Delegation of Authority No. 30-II-1 (Revision 2), dated August 10, 1962, there is hereby redelegated to the Chief, Loan Processing Section, the authority:

A. *Financial assistance.* 1. To approve the following:

- a. Direct loans not exceeding \$50,000.
- b. Participation loans not exceeding \$150,000.
- c. Limited loan participation not exceeding \$25,000.
- d. Small loans not exceeding \$25,000.
- e. Disaster loans not exceeding \$50,000.

2. To enter into business loan and disaster loan participation agreements with banks.

3. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read:

(Name), *Administrator*,
By _____,
(Name)
Chief, Loan Processing Section.

4. To cancel, reinstate, modify and amend authorizations for business or disaster loans.

5. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

6. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that

such documents are in compliance with the participation authorization.

7. To approve service charges by participating bank not to exceed 2% per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

B. *Administration.* 1. To approve annual and sick leave for employees under his supervision, other than advanced annual and sick leave.

2. To authorize and approve official travel other than travel involving a change of official duty station.

II. The authority delegated herein may be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Chief, Loan Processing Section.

IV. All previous authority delegated by the Chief, Financial Assistance Division, to the Chief, Loan Processing Section, is hereby rescinded without prejudice to actions taken under such delegation.

Effective Date: August 10, 1962.

GEORGE E. CHAPIN,
Chief,
Financial Assistance Division.

[F.R. Doc. 62-8710; Filed, Aug. 29, 1962;
8:50 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 27, 1962.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 37898: *Substituted service—IC and Wab. for Gordons Transports, Inc.* Filed by Southern Motor Carriers Rate Conference, Agent (No. 74), for interested carriers. Rates on property loaded in highway trailers and transported on railroad flat cars, between Kansas City, Mo., and New Orleans, La., on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 2 to Southern Motor Carriers Rate Conference tariff M.F.-I.C.C. 1212, I.C.C. 37.

FSA No. 37899: *Scrap iron or steel from Canton, Ohio, to Calvert, Ky.* Filed by Traffic Executive Association-Eastern Railroads, Agent (E.R. No. 2630), for interested rail carriers. Rates on iron or steel scrap (not copper clad), viz: Scraps or pieces of iron or steel having value for remelting purposes only; grindings, iron or steel (refuse material from grinding operations, not further processed), in carloads, from Canton, Ohio, to Calvert, Ky.

Grounds for relief: Truck-barge competition.

Tariff: Supplement 25 to Traffic Executive Association-Eastern Railroads tariff I.C.C. C-102.

FSA No. 37900: *Processed clay between points in southwestern territory.* Filed by Texas-Louisiana Freight Bureau, Agent (No. 447), for interested rail carriers. Rates on clay, processed for neutralization, clarifying, purifying, refining, filtering, and/or decolorizing oils or solvents (mineral, animal or vegetable), or fats, waxes or greases, in carloads, between points in southwestern territory.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 24 to Texas-Louisiana Freight Bureau tariff I.C.C. 948.

By the Commission.

[SEAL] HAROLD D. McCoy,
Secretary.

[F.R. Doc. 62-8719; Filed, Aug. 29, 1962;
8:52 a.m.]

[Notice 686]

MOTOR CARRIER TRANSFER PROCEEDINGS

AUGUST 27, 1962.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 65212. By order of August 22, 1962. The Transfer Board approved the transfer to J. Garufi Trucking Corp., a corporation, New York, N.Y., of Certificate No. MC 88416, issued July 18, 1939, to James Garufi, doing business as James Garufi Trucking Company, New York, N.Y., authorizing the transportation of: Building bricks, between New York, N.Y., on the one hand, and, on the other, points in New Jersey and Connecticut within 50 miles of Harlem River Yards, New York, N.Y. Jay Wertheimer,

61 Broadway, New York 6, N.Y., attorney for applicants.

No. MC-FC 65270. By order of August 21, 1962. The Transfer Board approved the transfer to Terminal Warehouse & Storage Company, Inc., 200 Southern Avenue, Dubuque, Iowa, of the operating rights in Certificate No. MC 123941, issued December 7, 1961, in the name of J. L. Kessenich, doing business as D M R Freight Line, 1404 29th Avenue, Monroe, Wisconsin, authorizing the transportation of general commodities, excluding household goods, commodities in bulk, and other specified commodities, over regular routes, between Darlington, Wis., and Freeport, Ill., between Monroe, Wis., and Rockford, Ill., between Gratiot, Wis., and Stockton, Ill., between Hollandale, Wis., and Monroe, Wis., and over irregular routes, between points within 3 miles of Monroe, Wis., including Monroe.

No. MC-FC 65272. By order of August 21, 1962. The Transfer Board approved the transfer to John Swanson, doing business as Swanson Trucking Company, Manistique, Mich., of Certificate No. MC 81835, issued June 7, 1950, to John Swanson and Herman Swanson, a partnership, doing business as Swanson Trucking Company, Manistique, Mich., authorizing the transportation, over irregular routes, of household goods, between Manistique, Mich., and points within 50 miles of Manistique, on the one hand, and, on the other, points in Michigan and Wisconsin. Michael D. O'Hara, Spies Building, Menominee, Mich., applicants' attorney.

No. MC-FC 65279. By order of August 21, 1962. The Transfer Board approved the transfer to J. W. Kline and E. L. Seastrom, a partnership, doing business as K & S Truck Line, Burlingame, Kans., of Certificate No. MC 55668 issued February 10, 1941, to H. A. Schroeder, Harveyville, Kans., authorizing the transportation, over regular routes, of livestock, between Harveyville, Kans., and Kansas City, Mo., and return, with service authorized to and from intermediate and offroute points of Kansas City, and Topeka, Kans., and those within 15 miles of Harveyville; agricultural implements and parts, agricultural machinery, feed, hardware, building materials, petroleum products in containers, empty petroleum containers, paints, drugs, household goods, caskets, and fencing materials, from Harveyville to Kansas City, Mo., with service authorized to and from intermediate and offroute points of Kansas City, Kans., and those within 10 miles of Harveyville; and bar-

rels and boxes, box lumber, seeds, feed, binder twine, groceries, fruits, vegetables, candy, and paper bags, between Topeka, Kans., and Kansas City, Mo., with service authorized to and from the intermediate point of Kansas City, Kans. E. L. Seastrom, Burlingame, Kans., for transferee. H. A. Schroeder, Harveyville, Kans., for transferor.

No. MC-FC 65280. By order of August 21, 1962. The Transfer Board approved the transfer to Edgar Rimback, doing business as Maplewood Transfer & Storage Company, Millburn, N.J., of Certificate No. MC 4186, issued June 10, 1941, to Thomas Grimm, Maplewood, N.J., authorizing the transportation of household goods, over irregular routes, between points in New Jersey, on the one hand, and, on the other, points in New York, Pennsylvania, and Connecticut. John P. Walsh, 241 Millburn Avenue, Millburn, N.J., applicants' attorney.

No. MC-FC 65284. By order of August 22, 1962. The Transfer Board approved the transfer to Peter Kupselaitis, doing business as G & R Enterprise Trucking, Newark, N.J., of Certificate No. MC 55429, issued July 8, 1941, to G.M.C. Express Co., Inc., Newark, N.J., authorizing the transportation, over irregular routes, of general commodities not including household goods, commodities in bulk, and other specified commodities, between points in Essex, Hudson, Union, Bergen, and Passaic Counties, N.J., on the one hand, and, on the other, New York, N.Y. James J. Farrell, 201 Montague Place, South Orange, N.J., applicants' representative.

No. MC-FC 65285. By order of August 21, 1962. The Transfer Board approved the transfer to Harold D. Fosmo, Ellsworth, Wis., of Certificate No. MC 19014, issued March 13, 1942, to Herbert M. Hope & Harry L. Hope, a partnership, doing business as Hope Brothers, Ellsworth, Wis., authorizing the transportation of general commodities, excluding household goods and commodities in bulk other than agricultural commodities, over irregular routes, between points in the Towns of Trenton, Trimble, Martell, Oak Grove and Ellsworth, Pierce County, Wis., on the one hand, and, on the other, Minneapolis, St. Paul, South St. Paul, Hopkins, Newport and Red Wing, Minn. A. R. Fowler, 2288 University Avenue, St. Paul 14, Minn., representative for applicants.

[SEAL] HAROLD D. McCoy,
Secretary.

[F.R. Doc. 62-8718; Filed, Aug. 29, 1962;
8:52 a.m.]

[illegible]

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Announcing: Volume 75**UNITED STATES
STATUTES AT LARGE****[87th Cong., 1st Sess.]**

Contains laws and concurrent resolutions enacted by the Congress during 1961, reorganization plans, amendment to the Constitution, and Presidential proclamations

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PART II



Washington, Thursday, August 30, 1962

System of Account Classifications
for Small Business Investment
Companies

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

PART 111—SYSTEM OF ACCOUNT CLASSIFICATIONS FOR SMALL BUSINESS INVESTMENT COMPANIES

On June 2, 1962, notice of proposed rule making regarding the System of Account Classifications for Small Business Investment Companies was published in the *FEDERAL REGISTER* (27 *F.R.* 5219-5239). After consideration of all such relevant matter as was presented by interested persons regarding the Proposed System of Account Classifications for Small Business Investment Companies, the said System of Account Classifications for Small Business Investment Companies is hereby adopted as published in 27 *F.R.* 5219-5329 with one change made so that the said System of Account Classifications would provide accounts for time deposits in commercial banks.

The System of Account Classifications for Small Business Investment Companies shall be effective upon publication in the *FEDERAL REGISTER*.

IRVING MANESS,
Deputy Administrator.

Dated: August 23, 1962.

AUTHORITY: Part 111 issued under section 308, Public Law 85-699, as amended.

Asset Accounts

10-12—Cash on Hand and in Banks

- 100-102 Deposits in ----- bank.
- 115-117 Time deposits in ----- bank.
- 118 Cash items in process of collection.
- 120 Petty cash fund.

13—Investments in United States Government Securities

- 130 United States Government obligations, direct and fully guaranteed.

14—Notes Receivable

- 140 Notes receivable.

15—Accounts Receivable

- 150 Accounts receivable.
- 154 Accounts receivable for compensation on participations sold.
- 155 Accounts receivable for commitment fees on deferred participations and financing commitments.

16—Accrued Interest Receivable

- 160 Accrued interest receivable.

17—Loans to Small Business Concerns

- 170 Loans (section 305).
- 179 Funds in escrow pending closing of financing.

18—Debt Securities of Small Business Concerns

- 180 Debt securities, convertible, and with stock purchase warrants or options (section 304).
- 184 Debt securities divested of stock rights (section 304).

19—Capital Stock of Small Business Concerns

- 190 Convertible capital stock of SBCs.
- 194 Capital stock of SBCs with stock purchase warrants or options.
- 198 Capital stock of SBCs—other.

20—Assets Acquired in Liquidation of Loans and Debt Securities

- 200 Assets acquired in liquidation of loans and debt securities.

21—Amounts Due From Debtors on Sale of Assets Acquired in Liquidation of Loans and Debt Securities

- 210 Amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

22—Prepaid Expenses

- 220 Prepaid expenses.
- 224 Unamortized discount on debentures payable.

23—Furniture and Equipment

- 230 Furniture and equipment.

24—Corporate Premises Owned

- 240 Corporate premises owned—land.
- 241 Corporate premises owned—building.
- 242 Leasehold improvements.

25—Other Assets

- 250-252 Capital stock subscriptions receivable-----
(Type and class)
- 253 Uncollected discount, fees, and other charges on loans (section 305).
- 254 Uncollected discount, fees, and other charges on debt securities (section 304).
- 255 Amounts due from directors, officers, and employees.
- 256 Organization costs.
- 257 Other assets.

Liability and Valuation Reserve Accounts

30—Notes and Other Obligations Payable to SBA for Funds Borrowed

- 300 Notes payable to SBA.
- 302 Debentures payable, subordinated, issued to SBA.

31—Notes and Other Obligations Payable to Other Than SBA for Funds Borrowed

- 310 Loans sold with recourse.
- 312 Debt securities, convertible, and with stock purchase warrants or options sold with recourse.
- 314 Debt securities divested of stock rights sold with recourse.
- 315 Notes payable to other than SBA.
- 316 Debentures payable, unsubordinated.
- 318 Debentures payable, subordinated, issued to other than SBA.
- 319 Mortgages payable.

32—Notes Payable—Other

- 320 Notes payable—other.

33—Participations

- 330 Participations of other lenders in loans.
- 331 Participations of other investors in debt securities.
- 332 Participations of other investors in capital stock of SBCs.
- 333 Participations in assets acquired in liquidation of loans and debt securities.
- 334 Participations in amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

34—Accounts Payable

- 340 Accounts payable for compensation on participations purchased.
- 342 Accounts payable for commitment fees on deferred participations.
- 344 Accounts payable—other.

35—Accrued Expenses Payable

- 350 Accrued interest payable.
- 352 Accrued interest payable on participations of other lenders or investors in loans, debt securities, and amounts due from debtors.
- 354 Estimated Federal income taxes accrued.
- 356 Estimated State income taxes accrued.
- 358 Other accrued expenses.

36—Dividends Payable

- 360-362 Dividends payable on -----
capital stock. (Type and class)
- 365-367 Stock dividends payable on -----
capital stock.
(Type and class)

37—Deposit Liabilities

- 370 Federal taxes withheld.
- 372 State and city taxes withheld.
- 374 Unapplied receipts.
- 376 Advance interest payments.
- 378 Miscellaneous trust receipts.

38—Other Liabilities

- 380 Unamortized premium on debentures payable.
- 382 Unearned discount, fees, and other charges on loans (section 305).
- 384 Unearned discount, fees, and other charges on debt securities (section 304).
- 386 Other liabilities.

39—Valuation Reserves

- 390 Allowance for uncollectible notes and accounts receivable.
- 391 Allowance for uncollectible interest receivable.
- 392 Allowance for uncollectible loans (section 305).
- 393 Allowance for losses on debt securities (section 304).
- 394 Allowance for losses on capital stock of SBCs.
- 395 Allowance for losses on assets acquired in liquidation of loans and debt securities.
- 396 Allowance for uncollectible amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.
- 397 Accumulated depreciation on furniture and equipment.
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- 405-409 ----- unissued capital stock.
(Type and class)
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(Type and class)
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(Type and class)

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- 426 Retained earnings from net realized gain on investments.

- 427 Appropriated retained earnings.
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51–52—Interest Income

- 510 Interest on U.S. Government securities.
512 Interest on loans.
514 Interest on funds in escrow pending closing of financing.
516 Interest on debt securities.
518 Interest on amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.
520 Interest income—other.

53—Compensation Income

- 530 Compensation income—participations sold.
532 Advisory and consulting service fees.
534 Appraisal and investigation fees.
536 Miscellaneous fees.

54—Dividends and Other Earnings

- 540 Dividends on capital stock of SBCs.
541 Sharings in income of SBCs.

55—Amortization of Premium on Debentures Payable

- 550 Amortization of premium on debentures payable.

56—Gain on Debentures Purchased and Retired

- 560 Gain on debentures purchased and retired.

57—Gain on Securities and Other Assets

- 570 Gain on U.S. Government securities.
572 Gain on debt securities (section 304).
574 Recoveries on asset losses charged to loss accounts.
576 Gain on capital stock of SBCs.
577 Gain on stock purchase warrants or options of SBCs.
578 Gain on assets acquired in liquidation of loans and debt securities.
579 Gain on other assets.

58—Miscellaneous Income

- 580 Rental income.
582 Income from assets acquired in liquidation of loans and debt securities.
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- 600 Commitment expense.

61–62—Interest Expense

- 610 Interest on notes payable to SBA.
614 Interest on debentures payable, issued to SBA.
618 Interest on loans sold with recourse.
620 Interest on debt securities sold with recourse.
622 Interest on notes payable to other than SBA.
624 Interest on debentures payable, issued to other than SBA.
626 Interest on mortgages payable.
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63—Compensation Expense

- 630 Compensation expense—participations purchased.

64—Debenture, Fiscal Agent, and Stock Record Expense

- 640 Debenture and fiscal agent expense.
642 Transfer agent and registrar expense.

65–67—Operating Expenses

- 650–679 Operating expenses.
650 Advertising and promotional costs.

- 651 Appraisal, consulting, and engineering costs.

- 652 Auditing and examination costs.

- 653 Communications.

- 654 Cost of space occupied.

- 655 Depreciation of corporate premises owned—building.

- 656 Depreciation of furniture and equipment.

- 657 Directors' and stockholders' meetings costs.

- 658 Insurance.

- 659 Investigation and financial service costs.

- 660 Investment adviser and supervisory costs.

- 661 Legal services.

- 662 Miscellaneous services and supplies.

- 663.1 Salaries of officers.

- 663.2 Salaries of employees.

- 664 Taxes, excluding Federal and State income taxes.

- 665 Travel.

- 666 Uncollectible notes and accounts.

- 667 Uncollectible interest receivable.

- 668 Uncollectible loans (section 305).

- 669 Uncollectible amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

- 670 Maintenance and repairs.

- 671 Retirement benefits expense.

- 672 Organization expense.

- 673 Estimated losses on debt securities (section 304).

- 674 Estimated losses on capital stock of SBCs.

- 675 Estimated losses on assets acquired in liquidation of loans and debt securities.

68—Amortization of Discount on Debentures Payable

- 680 Amortization of discount on debentures payable.

69—Loss on Debentures Purchased and Retired

- 690 Loss on debentures purchased and retired.

70—Loss on Securities and Other Assets

- 700 Loss on U.S. Government securities.
702 Loss on debt securities (section 304).
706 Loss on capital stock of SBCs.
708 Loss on assets acquired in liquidation of loans and debt securities.
709 Loss on other assets.

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- 710 Expense on assets acquired in liquidation of loans and debt securities.

72—Federal and State Income Taxes

- 720 Federal income taxes—net income.
722 Federal income taxes—net realized gain on investments.
725 State income taxes—net income.
727 State income taxes—net realized gain on investments.

Memorandum Records**Contingent Assets**

- CA-1 Documentary items in process of collection.
CA-2 Other contingent assets.

Contingent Liabilities

- CL-6 Commitments outstanding.
CL-7 Other contingent liabilities.

Nominal Assets

- NA-10 Stock purchase warrants or options on stock of SBCs.

Nominal Liabilities

- NL-16.

Options on Company's Stock

- OCS-1 Options on company's stock.

General Instructions

1. This system of account classifications for small business investment companies is adaptable to manual or machine accounting procedures employing the double-entry method, and is otherwise designed to meet the specific needs of companies licensed in accordance with the provisions of the Small Business Investment Act of 1958, as amended. Financial data accumulated in the manner required by this accounting system will facilitate the preparation of the annual, semiannual, and interim financial reports on SBA Form 468 to be furnished by licensed companies pursuant to the Act and Regulations.

2. Account classifications in use by companies licensed prior to issuance of this system shall be converted to the classifications set forth herein as soon as practicable but not later than sixty days after their publication in the FEDERAL REGISTER. If a small business investment company considers that it needs one or more additional accounts, it shall submit a detailed description of the proposed account(s) to SBA for approval.

3. Subdivisions of any account in this system of account classifications may be kept in the general ledger without the prior approval of SBA, provided that such subaccounts do not impair the integrity of the accounts set forth in the prescribed system. The titles of all such subaccounts shall refer by number and title to the accounts of which they are subdivisions, and a description of such subaccounts shall be furnished to SBA promptly upon their establishment. Use of a decimal system is required for extending the account numbers to identify such subaccounts.

4. This account classification system provides for two-digit number designations for major categories under which accounts are listed, and three-digit number designations for individual general ledger accounts. The first two digits of an individual account number refer to the major category under which the account is classified and the third digit identifies the specific account. Digits from zero through nine are used to identify specific accounts. For example, the first deposit bank account established will be designated "100" and the second "101." It will be noted that some categories encompass individual accounts in sufficient number to require assignment of more than one two-digit number to identify the category. For example, "Cash on Hand and in Banks" has been assigned category numbers "10," "11," and "12."

5. Books of account shall be maintained on an accrual basis and, at the end of each month, all transactions and accruals applicable to the month, as nearly as may be ascertained, shall be entered in the books.

6. It is very important that complete and accurate records of all contingent and nominal assets and liabilities be maintained. This is especially true with respect to outstanding commitments to finance small business concerns through

loans to them or the acquisition of their equity securities, and to make funds available to other lenders through deferred participations. A section providing for the maintenance of appropriate memorandum records is included herein, covering contingent assets, contingent liabilities, nominal assets, nominal liabilities, and options on the capital stock of the small business investment company.

7. Each small business investment company shall keep its books of account, and all other books, records, and memoranda which support in any way the entries in its books of account, in such manner as to be able readily to furnish full information on any item included in any account. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, capital stock records, reports, correspondence, and memoranda which may be useful in developing the history of, or facts regarding, any transaction.

8. Nothing contained in this system of account classifications can or is intended to authorize or approve any operation or action by a Licensee, or any other, not authorized by the Small Business Investment Act of 1958, as amended.

ASSET ACCOUNTS

100-102 Deposits in ----- bank.

These accounts will represent funds on demand deposit in banks, other than closed banks.

Debit:

(a) With amount of funds deposited.

Credit:

(a) With amount of funds withdrawn, and charges made by bank for such items as dishonored checks, transfer of funds by wire, collection, exchange, etc.

115-117 Time deposits in ----- bank.

These accounts will represent funds on time deposit in banks, other than closed banks.

Debit:

(a) With amount of funds deposited.

(b) With amount of interest received on such deposits.

Credit:

(a) With amount of funds withdrawn.

118 Cash items in process of collection.

This account will represent the amount of cash items placed with banks for collection.

Debit:

(a) With amount of such items placed with banks for collection.

Credit:

(a) With amount of items collected.

(b) With amount of uncollected items returned or withdrawn.

120 Petty cash fund.

This account will represent the imprest petty cash fund maintained for the purpose of making small disbursements.

Debit:

(a) With amount placed in the fund when established.

(b) With amount of increase in the fund.

Credit:

(a) With amount of decrease in the fund.

NOTE: The petty cash fund may be reimbursed and expenditures recorded as often as circumstances require, but must be reimbursed at the close of the company's fiscal year. Checks to replenish the fund will be drawn on a general fund bank account and include "petty cash" as a payee. Debits totaling the amount of this replenishment should be made concurrently to the appropriate accounts.

130 United States Government obligations, direct and fully guaranteed.

This account will represent the cost of temporary investments made from general cash funds in direct obligations of the United States Government and obligations guaranteed as to principal and interest by the United States Government. When United States Savings Bonds redeemable at par value on maturity are purchased at less than face value, the increase in redemption value may be periodically charged to this account with concurrent credit to account No. 510—Interest on U.S. Government securities.

Debit:

(a) With cost of such securities acquired.

(b) With increase in redemption value of United States Savings Bonds.

Credit:

(a) With redemption value of United States Savings Bonds redeemed.

(b) With cost of such securities sold or disposed of otherwise.

NOTE: Increase in value over cost of United States Treasury bills, which are issued at a discount and are non-interest bearing, will not be reflected in this account but will be debited at the end of each month to account No. 160—Accrued interest receivable, with concurrent credit to account No. 510—Interest on U.S. Government securities.

(See accounts Nos. 570 and 700)

140 Notes receivable.

This account will represent the unpaid balance of miscellaneous notes receivable. Notes representing amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities will be reflected in account No. 210.

Debit:

(a) With amount of such miscellaneous notes received.

Credit:

(a) With amount collected on principal of such miscellaneous notes.

(b) With unpaid principal balance written off or disposed of otherwise.

(See account No. 390)

150 Accounts receivable.

This account will represent the amount due on open account for advisory, consulting, appraisal, financial, and miscellaneous services rendered, declared dividends receivable on capital stock of small business concerns, amounts receivable representing shareings in the income of small business concerns, and other current receivables for which no specific accounts have been provided.

Debit:

(a) With amount due the company.

Credit:

(a) With amount collected.

(b) With amount written off or disposed of otherwise.

(See account No. 390)

154 Accounts receivable for compensation on participations sold.

This account, on the books of the "initiating" company, will represent the amount of accrued compensation receivable for services rendered to "participating" companies, such as banks, small business investment companies, and other lenders or investors, on their participations in loans (section 305), debt securities (section 304), assets acquired in liquidation of loans and debt securities, and amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities of the "initiating" company.

Debit:

(a) With amount of accrued compensation for such services rendered.

Credit:

(a) With amount of such accrued compensation collected.

(b) With amount of such accrued compensation written off or disposed of otherwise.

(See accounts Nos. 390 and 530)

155 Accounts receivable for commitment fees on deferred participations and financing commitments.

This account, on the books of the "participating" company, will represent the amount of accrued commitment fees receivable for making funds available on a deferred basis to "initiating" companies, such as banks, small business investment companies, and other lenders, in connection with their financing of, or commitments to finance, small business concerns.

In addition, an "initiating" company will use this account to record the amount of accrued commitment fees receivable for making funds available on a deferred basis on commitments to finance small business concerns.

Debit:

(a) With amount of such accrued fees.

Credit:

(a) With amount of such accrued fees collected.

(b) With amount of such accrued fees written off or disposed of otherwise.

NOTE: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern.

(See accounts Nos. 390 and 500)

160 Accrued interest receivable.

This account will represent the amount of interest accrued on loans to and debt securities of small business concerns, United States Government obligations, direct and fully guaranteed, notes receivable, sales contracts, and other interest-bearing amounts due from debtors, including funds placed in escrow pending the closing of financing.

On the books of the "initiating" company, the full amount of interest accrued on loans (section 305) and debt securities (section 304) participated in by others will be reflected in this account pending collection from borrowers,

or other disposition thereof (account No. 352 will be credited with amount due "participating" companies).

On the books of the "participating" company, interest accrued on the amount of the company's participation in loans and debt securities of others will be reflected in this account pending receipt of payment from the "initiating" company, or other disposition thereof.

Debit:

(a) With amount of accrued interest purchased, at date loans or debt securities are acquired.

(b) At the end of each month, with amount of interest accrued on all items covered by this account on that date.

(c) With amount of interest accrued during the month on such items disposed of during the month.

Credit:

(a) With amount of interest payments received.

(b) With amount of accrued interest transferred to assets acquired in liquidation of loans and debt securities.

(c) Upon disposition of loans or debt securities, with amount of accrued interest thereon included in this account.

(d) With amount of accrued interest written off or disposed of otherwise.

NOTE: At the option of the company, interest payments received in cash from debtors prior to the interest maturity date may be credited to account No. 376—Advance interest payments, until the maturity date.

170 Loans (section 305).

This account will represent the unpaid balance of net funds advanced on loans made to small business concerns pursuant to Section 305 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With face amount of direct loans.

(b) On the books of the "initiating" company, with total face amount of the loan made to borrower by both the "initiating" company and the "participating" company (account No. 330 will be credited with the portion purchased by the "participating" company).

(c) On the books of the "participating" company, with amount of participations in loans of others.

(d) With that portion of amount collected allocable to discount, fees, and other charges included in the face amount of direct loans but withheld from disbursements to debtor small business concerns (contra credit will be made to account No. 253).

(e) On the books of the "initiating" company, with total amount collected allocable to such discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders (contra credit will be made to account No. 253 for the "initiating" company's portion and to account No. 330 for the "participating" company's portion).

(f) On the books of the "participating" company, with amount collected allocable to that portion of such discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business

concerns, which is assigned to the "participating" company in connection with its participations in loans of other lenders (contra credit will be made to account No. 253).

(g) With unpaid principal of loans represented by renewal notes accepted or notes taken in substitution for those held (appropriate adjustment will be made to account No. 253).

(h) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of direct loans but withheld from disbursements to debtor small business concerns (contra debit will be made to account No. 253).

(b) On the books of the "initiating" company, with total amount of uncollected discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders (contra debit will be made to account No. 253).

(c) On the books of the "participating" company, with that portion of uncollected discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in loans of other lenders (contra debit will be made to account No. 253).

(d) With amount collected on face amount of direct loans.

(e) On the books of the "initiating" company, with full amount collected on unpaid principal of loans participated in by others.

(f) On the books of the "participating" company, with full amount by which participations in loans of others are reduced by repayments transmitted by the "initiating" company.

(g) With unpaid principal of loans represented by notes renewed or for which other notes have been substituted (appropriate adjustment will be made to account No. 253).

(h) With amount transferred to assets acquired in liquidation of loans and debt securities (appropriate adjustment will be made to account No. 253).

(i) With unpaid principal of loans written off or disposed of otherwise (appropriate adjustment will be made to account No. 253).

NOTE 1: It is assumed that in all loan participation arrangements the "initiating" company will service the loans.

NOTE 2: It is recommended that individual loan ledger cards or sheets be maintained for all loans. Such ledger cards or sheets should contain the detailed information needed for account No. 253—Uncollected discount, fees, and other charges on loans (section 305), account No. 330—Participations of other lenders in loans, and account No. 382—Unearned discount, fees, and other charges on loans (section 305).

(See accounts Nos. 310 and 392)

179 Funds in escrow pending closing of financing.

This account will represent the amount of funds placed in escrow pend-

ing the closing of financing for small business concerns.

Debit:

(a) With amount of funds placed in escrow.

Credit:

(a) With amount of funds withdrawn from escrow.

180 Debt securities, convertible, and with stock purchase warrants or options (section 304).

This account will represent the unpaid balance of net funds advanced on small business concerns' debt securities, convertible, and with attached stock purchase warrants or options acquired by the company pursuant to Section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With face amount of debt securities, convertible, and with stock purchase warrants, or options acquired, without allocating any of the amount to non-detachable or detachable stock purchase warrants or options.

(b) On the books of the "initiating" company, with total face amount of the debt securities, convertible, and with stock purchase warrants or options purchased by both the "initiating" company and the "participating" company (account No. 331 will be credited with the portion purchased by the "participating" company).

(c) On the books of the "participating" company, with amount of participations in purchases by others of debt securities, convertible, and with stock purchase warrants or options.

(d) With that portion of amount collected allocable to discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns (contra credit will be made to account No. 254).

(e) On the books of the "initiating" company, with total amount collected allocable to such discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra credit will be made to account No. 254 for the "initiating" company's portion and to account No. 331 for the "participating" company's portion).

(f) On the books of the "participating" company, with amount collected allocable to that portion of such discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities (contra credit will be made to account No. 254).

(g) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of debt securities, convertible, and with stock purchase

warrants or options, but withheld from disbursements to debtor small business concerns (contra debit will be made to account No. 254).

(b) On the books of the "initiating" company, with total amount of uncollected discount, fees, and other charges included in the face amount of debt securities, convertible, and with stock purchase warrants or options, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra debit will be made to account No. 254).

(c) On the books of the "participating" company, with that portion of uncollected discount, fees, and other charges included in the face amount of debt securities, convertible, and with stock purchase warrants or options, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities (contra debit will be made to account No. 254).

(d) With amount collected on face amount of debt securities, convertible, and with stock purchase warrants or options.

(e) On the books of the "initiating" company, with full amount collected on unpaid principal of debt securities, convertible, and with stock purchase warrants or options, through payments amortizing such securities and on partial calls of such securities.

(f) On the books of the "participating" company, with full amount by which participations in purchases by others of debt securities, convertible, and with stock purchase warrants or options, are reduced by repayments transmitted by the "initiating" company.

(g) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, or portions thereof, converted into capital stock (appropriate adjustment will be made to account No. 254).

(h) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options which have been divested of stock rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(i) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, transferred to assets acquired in liquidation of loans and debt securities (appropriate adjustment will be made to account No. 254).

(j) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, written off or disposed of otherwise (appropriate adjustment will be made to account No. 254).

NOTE 1: It is assumed that in all arrangements for participation in the purchase of debt securities, convertible, and with stock purchase warrants or options the "initiating" company will service the financing.

NOTE 2: It is recommended that individual ledger cards or sheets be maintained for all

debt securities, convertible, and with stock purchase warrants or options. Such ledger cards or sheets should contain the detailed information needed for account No. 254—Uncollected discount, fees, and other charges on debt securities (section 304), account No. 331—Participations of other investors in debt securities, and account No. 384—Unearned discount, fees, and other charges on debt securities (section 304).

(See accounts Nos. 184, 312, and 393, and memorandum record No. NA-10)

184 Debt securities divested of stock rights (section 304).

This account will represent the unpaid balance of net funds advanced on small business concerns' debt securities which have been divested of stock rights through (1) the expiration of the conversion privilege of convertible debt securities, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options of debt securities, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of debt securities pursuant to Section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With unpaid principal of debt securities divested of stock rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(b) On the books of the "initiating" company, with total unpaid principal of the debt securities divested of stock rights (account No. 331 will be credited with the portion purchased by the "participating" company).

(c) On the books of the "participating" company, with amount of participations in purchases by others of debt securities which have been subsequently divested of stock rights.

(d) With that portion of amount collected allocable to discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns (contra credit will be made to account No. 254).

(e) On the books of the "initiating" company, with total amount collected allocable to such discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra credit will be made to account No. 254 for the "initiating" company's portion and to account No. 331 for the "participating" company's portion).

(f) On the books of the "participating" company, with amount collected allocable to that portion of such discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company

in connection with its participations in purchases by other investors of debt securities (contra credit will be made to account No. 254).

(g) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of debt securities divested of stock rights but withheld from disbursements to debtor small business concerns (contra debit will be made to account No. 254).

(b) On the books of the "initiating" company, with total amount of uncollected discount, fees, and other charges included in the face amount of debt securities divested of stock rights, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra debit will be made to account No. 254).

(c) On the books of the "participating" company, with that portion of uncollected discount, fees, and other charges included in the face amount of debt securities divested of stock rights, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities (contra debit will be made to account No. 254).

(d) With amount collected on face amount of debt securities divested of stock rights.

(e) On the books of the "initiating" company, with full amount collected on unpaid principal of debt securities divested of stock rights through payments amortizing such securities and on partial calls of such securities.

(f) On the books of the "participating" company, with full amount by which participations in purchases by others of debt securities which have been subsequently divested of stock rights are reduced by repayments transmitted by the "initiating" company.

(g) With unpaid principal of debt securities divested of stock rights transferred to assets acquired in liquidation of loans and debt securities (appropriate adjustment will be made to account No. 254).

(h) With unpaid principal of debt securities divested of stock rights written off or disposed of otherwise (appropriate adjustment will be made to account No. 254).

NOTE 1: It is assumed that in all arrangements for participation in the purchase of debt securities the "initiating" company will service the financing.

NOTE 2: It is recommended that individual ledger cards or sheets be maintained for all debt securities which have been divested of stock rights. Such ledger cards or sheets should contain the detailed information needed for account No. 254—Uncollected discount, fees, and other charges on debt securities (section 304), account No. 331—Participations of other investors in debt securities, and account No. 384—Unearned discount, fees, and other charges on debt securities (section 304).

(See accounts Nos. 180, 314, and 393)

190 Convertible capital stock of SBCs.

This account will represent the value at cost of small business concerns' convertible capital stock acquired by the company pursuant to Section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With cost of such convertible capital stock acquired.

(b) On the books of the "initiating" company, with total cost of the convertible capital stock of SBCs purchased by both the "initiating" company and the "participating" company (account No. 332 will be credited with the portion representing the investment of the "participating" company).

(c) On the books of the "participating" company, with amount of participations in acquisitions by others of convertible capital stock of SBCs.

Credit:

(a) With cost of such convertible capital stock converted to another class of capital stock.

(b) With cost of such convertible capital stock in connection with which the conversion privilege has expired.

(c) With cost of such convertible capital stock written off or disposed of otherwise.

NOTE 1: It is assumed that in all arrangements for participation in the acquisition of capital stock of SBCs the "initiating" company will service the financing.

NOTE 2: It is recommended that individual ledger cards or sheets be maintained for all convertible capital stock of SBCs. Such ledger cards or sheets should contain the detailed information needed for account No. 332—Participations of other investors in capital stock of SBCs.

(See accounts Nos. 198 and 394)

194 Capital stock of SBCs with stock purchase warrants or options.

This account will represent the value at cost of small business concerns' capital stock with attached stock purchase warrants or options acquired by the company pursuant to Section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With cost of such capital stock of SBCs with stock purchase warrants or options acquired, without allocating any of the cost to the nondetachable or detachable stock purchase warrants or options.

(b) On the books of the "initiating" company, with total cost of the capital stock of SBCs with stock purchase warrants or options purchased by both the "initiating" company and the "participating" company (account No. 332 will be credited with the portion representing the investment of the "participating" company).

(c) On the books of the "participating" company, with amount of participations in acquisitions by others of capital stock of SBCs with stock purchase warrants or options.

Credit:

(a) With cost of such capital stock of SBCs with stock purchase warrants or options which has been divested of stock purchase rights through either (1)

the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (2) the detachment of detachable stock purchase warrants or options.

(b) With cost of such capital stock of SBCs with stock purchase warrants or options written off or disposed of otherwise.

NOTE 1: It is assumed that in all arrangements for participation in the acquisition of capital stock of SBCs with stock purchase warrants or options the "initiating" company will service the financing.

NOTE 2: It is recommended that individual ledger cards or sheets be maintained for all capital stock of SBCs with stock purchase warrants or options. Such ledger cards or sheets should contain the detailed information needed for account No. 332—Participations of other investors in capital stock of SBCs.

(See accounts Nos. 198 and 394, and memorandum record No. NA-10)

198 Capital stock of SBCs—other.

This account will represent the value at cost of small business concerns' capital stock acquired by the company without conversion privileges or stock purchase warrants or options, or existing on the books as the result of (1) the expiration of the conversion privilege of convertible capital stock of SBCs, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of capital stock of small business concerns pursuant to Section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With cost of such capital stock of SBCs—other acquired through (1) purchase, (2) conversion of convertible debt securities or convertible capital stock of SBCs, or (3) exercise of rights conveyed by stock purchase warrants or options issued by small business concerns in connection with their debt securities or capital stock acquired by the company.

(b) With cost of such capital stock of SBCs—other resulting from (1) the expiration of the conversion privilege of convertible capital stock of SBCs, (2) the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of capital stock of small business concerns.

(c) On the books of the "initiating" company, with total cost of the capital stock of SBCs—other acquired or subsequently existing on the books without conversion privileges or stock purchase warrants or options (account No. 332 will be credited with the portion representing the investment of the "participating" company).

(d) On the books of the "participating" company, with amount of participations in capital stock of SBCs—other acquired by or subsequently existing on the books of others without conversion privileges or stock purchase warrants or options.

Credit:

(a) With cost of such capital stock of SBCs—other written off or disposed of otherwise.

NOTE 1: It is assumed that in all arrangements for participation in capital stock of SBCs—other the "initiating" company will service the financing.

NOTE 2: It is recommended that individual ledger cards or sheets be maintained for all capital stock of SBCs—other acquired or subsequently existing without conversion privileges or stock purchase warrants or options. Such ledger cards or sheets should contain the detailed information needed for account No. 332—Participations of other investors in capital stock of SBCs.

NOTE 3: In acquisitions of capital stock through exercise of rights conveyed by stock purchase warrants or options issued by small business concerns in connection with their debt securities or capital stock previously acquired by the company, the amount of the expenditure made by the company in the current acquisition of the capital stock will be considered the cost value of the stock, without consideration of the nominal or other value of the stock purchase rights surrendered.

NOTE 4: In conversions of convertible debt securities of small business concerns into capital stock, or in conversions of convertible capital stock of SBCs into another class of capital stock, the value at cost of the particular convertible debt security or convertible capital stock may be considered the cost value of the capital stock received in the conversion for the purpose of recording the transaction in this account. In such event, any uncollected and any unearned discount or fees relating to such debt securities converted may be eliminated in clearing the debt securities account of the converted instruments. If it is preferred to value the acquired stock at the unpaid principal balance of such debt securities surrendered therefor, there should be included in the principal balance any related uncollected discount, fees, and other charges. Also, it may be appropriate to consider any related unearned discount or fees as earned as of the date of completion of the conversion.

(See accounts Nos. 190, 194, 254, 384, and 394)

200 Assets acquired in liquidation of loans and debt securities.

This account will represent the company's investment in assets acquired by foreclosure, or otherwise, in liquidation of loans (section 305) and debt securities (section 304). Judgments, sheriffs' certificates (including property acquired subject to redemption), etc., will be reflected in this account.

The investment in property at the date of acquisition by the company should be determined by the Board of Directors on the most suitable of the following bases, but not to exceed the total amount of the related loan or debt security involved: (1) Bid-in price of the property; (2) agreed consideration for the property; (3) fair appraised value of the property. Any remaining indebtedness will be written off unless the company expects further liquidation of the debt from other sources. Insofar as practicable, investment values will be determined for each individual asset, or unit, at the time such assets are recorded in this account, and when an asset is sold only an amount equal to the investment in such asset will be credited to this account.

The company's investment in judgments should be recorded at the face amount of the judgment. When the company acquires the underlying security to the related loan or debt security outright or subject to redemption, the investment in the property should be determined in accordance with the bases set forth in the second paragraph.

Debit:

(a) With amount of the company's investment in the property at the time of acquisition.

(b) With amount of the company's investment in the property at the date of judgment, sheriff's certificate, etc.

(c) On the books of the "participating" company, with amount of participation in assets acquired in liquidation of loans and debt securities of others.

Credit:

(a) With proceeds of partial sale of property.

(b) With amount of the company's investment at date of sale, or other disposition of property.

(c) With amount written off.

NOTE 1: Collateral notes receivable acquired in the liquidation of loans and debt securities will be reflected in this account; but notes receivable that are subsequently accepted in connection with the disposition of assets acquired in the liquidation of loans and debt securities will be included in account No. 210—Amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

NOTE 2: The full amount of assets acquired in liquidation of loans and debt securities participated in by other lenders or investors will be included in this account on the books of the "initiating" company.

NOTE 3: It is recommended that subsidiary records be maintained in sufficient detail to disclose for report and tax purposes all transactions affecting assets acquired in liquidation of loans and debt securities.

(See accounts Nos. 170, 180, 184, 333, and 395)

210 Amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

This account will represent the unpaid balance of accounts receivable, notes receivable, sales contracts, purchase money mortgages, and similar evidences of indebtedness to the company arising from the sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304).

Debit:

(a) With amount of such receivables.

(b) On the books of the "participating" company, with amount of participations in amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities of other lenders or investors.

Credit:

(a) With amount collected on principal of such receivables.

(b) With amount transferred to assets acquired in liquidation of loans and debt securities.

(c) With unpaid principal balance written off or disposed of otherwise.

NOTE 1: The full amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities participated in by other lenders or investors will be included in this account on the books of the "initiating" company.

NOTE 2: It is recommended that subsidiary records be maintained in sufficient detail to disclose for report and tax purposes all transactions affecting amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

(See accounts Nos. 334 and 396)

220 Prepaid expenses.

This account will represent the unexpired or unconsumed portion of expenses expressly applicable to future periods for which no specific accounts have been provided. Such expenses should be amortized over the appropriate period.

Debit:

(a) With amount of prepaid or deferred expenses.

Credit:

(a) At the end of each month, with the proportional amount of such expenses applicable to the current month.

NOTE: Subsidiary records should be maintained to identify the items reflected in this account and to facilitate their monthly amortization.

224 Unamortized discount on debentures payable.

This account will represent the amount of the unamortized balance of discount on unmaturing outstanding debentures payable sold by the company for a sum less than par.

Debit:

(a) With amount of discount on such debentures at the time of sale.

Credit:

(a) At the end of each month, with the monthly amount necessary to amortize the discount over the life of such debentures.

(b) With the unamortized portion of discount applicable to such debentures purchased and retired prior to maturity.

(c) When such debentures mature during the month, with amount of discount applicable to the portion of the month the debentures were outstanding.

(See accounts Nos. 560, 680, and 690)

230 Furniture and equipment.

This account will represent the cost of furniture, fixtures and equipment, including automobiles, owned by the company. The cost of freight, drayage, cartage, express, etc., in connection with the purchase of such items of furniture and equipment, will be included in this account.

Debit:

(a) With cost of such assets purchased.

Credit:

(a) With cost of such assets at the time of sale or other disposition.

NOTE: An inventory record should be maintained for all such assets and each item should be tagged or numbered to facilitate ready identification.

(See account No. 397)

240 Corporate premises owned—land.

This account will represent the actual cost of acquisition of the land used as the site of the company's office quarters. The account also will include the actual cost of any improvements, such as street, sidewalk and other benefits, applicable to the land.

Debit:

(a) With actual cost of acquisition of the land.

(b) With actual cost of any improvement to the land.

Credit:

(a) With the acquisition cost of the land, plus the cost of improvements made thereto, when the land is sold or disposed of otherwise.

241 Corporate premises owned—building.

This account will represent the actual cost of acquisition of the building used as the company's office quarters. The account also will include the actual cost of any improvements applicable to the building.

Debit:

(a) With actual cost of acquisition of the building.

(b) With actual cost of any improvement to the building.

Credit:

(a) With the acquisition cost of the building, plus the cost of improvements made thereto, when the building is sold or disposed of otherwise.

(See account No. 398)

242 Leasehold improvements.

This account will represent the actual cost of improvements to leased property used as the company's office quarters. The amount of this account will be amortized over the life of the lease or the life of the improvements, whichever is the shorter.

Debit:

(a) With actual cost of improvements to leasehold.

Credit:

(a) At the end of each month, with the monthly amount necessary to amortize the cost of leasehold improvements.

250-252 Capital stock subscriptions receivable
(Type and class)

These accounts will represent the total unpaid balances of capital stock subscriptions receivable from subscribers of the company's authorized capital stock. A separate subscriptions receivable account should be provided for each type and class of capital stock.

Debit:

(a) With amount of such capital stock subscriptions received.

Credit:

(a) With amount collected on such capital stock subscriptions.

(b) With amount of such capital stock subscriptions cancelled or disposed of otherwise.

(See accounts Nos. 410-412)

253 Uncollected discount, fees, and other charges on loans (section 305).

This account will represent the amount of uncollected discount, fees, and other charges on loans (section 305) included in the face amount of loans charged to account No. 170—Loans (section 305).

Debit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of direct loans but

withheld from disbursements to debtor small business concerns (contra credit will be made to account No. 170).

(b) On the books of the "initiating" company, with total amount of uncollected discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders (contra credit will be made to account No. 170).

(c) On the books of the "participating" company, with that portion of uncollected discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in loans of other lenders (contra credit will be made to account No. 170).

(d) With amount of any adjustment required because of adjustment of account No. 170.

Credit:

(a) On the books of the "initiating" company, with amount of uncollected discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participation in the loans (contra debit will be made to account No. 330).

(b) With that portion of amount collected allocable to discount, fees, and other charges included in the face amount of direct loans but withheld from disbursements to debtor small business concerns (contra debit will be made to account No. 170).

(c) On the books of the "initiating" company, with the "initiating" company's portion of amount collected allocable to such discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders (contra debit will be made to account No. 170).

(d) On the books of the "participating" company, with amount collected allocable to that portion of such discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in loans of other lenders (contra debit will be made to account No. 170).

(e) With amount of any adjustment required because of adjustment of account No. 170.

NOTE: Appropriate subsidiary records should be maintained for all uncollected amounts included in this account to permit identification of such amounts with the particular loans to which they relate.

(See account No. 382)

254 Uncollected discount, fees, and other charges on debt securities (section 304).

This account will represent the amount of uncollected discount, fees, and

other charges on debt securities (section 304) included in the face amount of debt securities charged to account No. 180—Debt securities, convertible, and with stock purchase warrants or options (section 304), or account No. 184—Debt securities divested of stock rights (section 304).

Debit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of such debt securities but withheld from disbursements to debtor small business concerns (contra credit will be made to account No. 180 or account No. 184, as appropriate).

(b) On the books of the "initiating" company, with total amount of uncollected discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra credit will be made to account No. 180 or account No. 184, as appropriate).

(c) On the books of the "participating" company, with that portion of uncollected discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities (contra credit will be made to account No. 180 or account No. 184, as appropriate).

(d) With amount of any adjustment required because of adjustment of account No. 180 or account No. 184.

Credit:

(a) On the books of the "initiating" company, with amount of uncollected discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participation in purchases of the debt securities (contra debit will be made to account No. 331).

(b) With that portion of amount collected allocable to discount, fees, and other charges included in the face amount of such debt securities but withheld from disbursements to debtor small business concerns (contra debit will be made to account No. 180 or account No. 184, as appropriate).

(c) On the books of the "initiating" company, with the "initiating" company's portion of amount collected allocable to such discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra debit will be made to account No. 180 or account No. 184, as appropriate).

(d) On the books of the "participating" company, with amount collected allocable to that portion of such discount, fees, and other charges included in the face amount of such debt securities, but withheld from disbursements to debtor

small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities (contra debit will be made to account No. 180 or account No. 184, as appropriate).

(e) With amount of any adjustment required because of adjustment of account No. 180 or account No. 184.

NOTE: Appropriate subsidiary records should be maintained for all uncollected amounts included in this account to permit identification of such amounts with the particular debt securities to which they relate.

(See account No. 384)

255 Amounts due from directors, officers, and employees.

This account will represent the unpaid balance of amounts advanced to directors, officers, and employees.

Debit:

(a) With amount of such advances made.

Credit:

(a) With amount collected on such advances.

(b) With amount transferred to appropriate expense classification upon proper authorization.

(c) With amount written off or disposed of otherwise.

(See account No. 709)

256 Organization costs.

This account will represent the amount of legal fees, promotional expense, stock certificate costs, incorporation fees, taxes, and other related costs incurred in organizing the company.

Debit:

(a) With amount of such costs incurred.

Credit:

(a) At the end of each month, with the monthly amount necessary to amortize the organization costs in accordance with Treasury regulations.

(See account No. 672)

257 Other assets.

This account will represent the amount of assets of the company not specifically provided for in other accounts, including recoverable amounts advanced for the protection and preservation of the company's investments.

Debit:

(a) With amount of the company's investment in such assets.

Credit:

(a) With amount of such assets sold or disposed of otherwise.

(See account No. 709)

Liability and Valuation Reserve Accounts

300 Notes payable to SBA.

This account will represent the unpaid principal balance of notes payable for funds borrowed from the Small Business Administration.

Debit:

(a) With amount of principal payments made on such notes.

Credit:

(a) With amount of funds borrowed.

302 Debentures payable, subordinated, issued to SBA.

This account will represent the unpaid principal balance of funds received by the company under its subordinated debenture bonds payable issued to the Small Business Administration for funds borrowed pursuant to section 302(a) of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With amount of principal payments made on such debentures.

Credit:

(a) With amount of funds received under such debentures.

NOTE: The subordinated debentures purchased by the Small Business Administration under section 302(a) of the Small Business Investment Act of 1958, as amended, shall be deemed a part of the capital and surplus of the company for purposes of sections 302(a), 303(b), and 306 of the Act.

310 Loans sold with recourse.

This account will represent the unpaid balance of net funds advanced on loans outstanding to small business concerns which have been sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With amount collected on net funds advanced on such loans as reported to the company by the purchaser.

(b) With unpaid balance of net funds advanced on such loans repurchased.

Credit:

(a) With unpaid balance of net funds advanced on such loans sold.

NOTE: This account is contra to account No. 170—Loans (section 305). For balance sheet purposes account No. 310 will be deducted from account No. 170.

312 Debt securities, convertible, and with stock purchase warrants or options sold with recourse.

This account will represent the unpaid balance of net funds advanced on unmatured debt securities, convertible, and with stock purchase warrants or options, issued by small business concerns to the company, which are sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With unpaid balance of net funds advanced on such debt securities, convertible, and with stock purchase warrants or options paid on maturity as reported to the company by the purchaser.

(b) With unpaid balance of net funds advanced on such debt securities, convertible, and with stock purchase warrants or options repurchased.

Credit:

(a) With unpaid balance of net funds advanced on debt securities, convertible, and with stock purchase warrants or options sold with recourse.

NOTE: This account is contra to account No. 180—Debt securities, convertible, and with stock purchase warrants or options (section 304). For balance sheet purposes account No. 312 will be deducted from account No. 180.

314 Debt securities divested of stock rights sold with recourse.

This account will represent the unpaid balance of net funds advanced on small business concerns' unmatured debt securities divested of stock rights which are sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With unpaid balance of net funds advanced on such debt securities divested of stock rights paid on maturity as reported to the company by the purchaser.

(b) With unpaid balance of net funds advanced on such debt securities divested of stock rights repurchased.

Credit:

(a) With unpaid balance of net funds advanced on such debt securities divested of stock rights sold with recourse.

NOTE: This account is contra to account No. 184—Debt securities divested of stock rights (section 304). For balance sheet purposes account No. 314 will be deducted from account No. 184.

315 Notes payable to other than SBA.

This account will represent the unpaid principal balance of notes payable for funds borrowed from other than the Small Business Administration.

Debit:

(a) With amount of principal payments made on such notes.

Credit:

(a) With amount of funds borrowed.

316 Debentures payable, unsubordinated.

This account will represent the par value of the company's unsubordinated debenture bonds payable which are issued for funds borrowed.

Debit:

(a) With the par value of such debentures retired upon maturity.

(b) With the par value of such debentures purchased and retired by the company before maturity.

Credit:

(a) With the par value of such debentures issued for funds borrowed.

318 Debentures payable, subordinated, issued to other than SBA.

This account will represent the par value of the company's subordinated debenture bonds payable which are issued to other than the Small Business Administration for funds borrowed.

Debit:

(a) With the par value of such debentures retired upon maturity.

(b) With the par value of such debentures purchased and retired by the company before maturity.

Credit:

(a) With the par value of such debentures issued to other than the Small Business Administration for funds borrowed.

319 Mortgages payable.

This account will represent the unpaid principal balance of mortgages payable for funds borrowed on corporate premises or other real estate owned by the company. Purchase money mortgages,

conditional sales contracts, or similar documentary evidence of indebtedness given by the company in the acquisition of real property will be included in this account.

Debit:

(a) With amount of principal payments made on such indebtedness.

Credit:

(a) With amount of funds borrowed.

320 Notes payable—other.

This account will represent the unpaid principal balance of notes payable in evidence of amounts owed by the company other than for funds borrowed. Notes payable, conditional sales contracts, and liens for the acquisition of furniture, fixtures, equipment, and automobiles will be included in this account.

Debit:

(a) With amount of principal payments made on such notes.

Credit:

(a) With amount of unpaid principal of such notes executed.

330 Participations of other lenders in loans.

This account will be used only by the "initiating" company and will represent the outstanding balance of participations by other lenders in net funds advanced on loans (section 305).

The total unpaid balances of net funds advanced on loans in which other lenders participate will be carried in account No. 170 by the "initiating" company for accounting convenience. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the asset account.

Debit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participation in the loans (contra credit will be made to account No. 253).

(b) With amount of repayments transmitted by the "initiating" company to the "participating" company in reduction of such participations.

Credit:

(a) With amount of participations of other lenders in loans.

(b) With the "participating" company's portion of amount collected allocable to discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders (contra debit will be made to account No. 170).

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Appropriate subsidiary records should be maintained for all loan participations of other lenders reflected in this account as indicated in Note 2 of account No. 170.

(See account No. 530)

331 Participations of other investors in debt securities.

This account will be used only by the "initiating" company and will represent the outstanding balance of participations by other investors, incorporated or unincorporated, in net funds advanced on debt securities (section 304).

The total unpaid balances of net funds advanced on debt securities, convertible, and with stock purchase warrants or options, and debt securities divested of stock rights, in which other investors participate, will be carried by the "initiating" company in accounts Nos. 180 and 184, respectively, for accounting convenience. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the related asset accounts.

Debit:

(a) With amount of uncollected discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participation in purchases of the debt securities (contra credit will be made to account No. 254).

(b) With amount of repayments transmitted by the "initiating" company to the "participating" company in reduction of such participations.

Credit:

(a) With amount of participations of other investors in debt securities.

(b) With the "participating" company's portion of amount collected allocable to discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors (contra debit will be made to account No. 180 or account No. 184, as appropriate).

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Appropriate subsidiary records should be maintained for all participations of other investors in debt securities as indicated in Note 2 of accounts Nos. 180 and 184.

(See account No. 530)

332 Participations of other investors in capital stock of SBCs.

This account will be used only by the "initiating" company and will represent the outstanding balance of participations by other investors, incorporated or unincorporated, in capital stock of SBCs.

The total value at cost of small business concerns' capital stock in which other investors participate will be carried by the "initiating" company in accounts Nos. 190, 194, and 198, respectively, for accounting convenience. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the related asset accounts.

Debit:

(a) With amount of reductions of such participations.

Credit:

(a) With amount of participations of other investors in capital stock of SBCs.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Appropriate subsidiary records should be maintained for all participations of other investors in capital stock of SBCs as indicated in Note 2 of accounts Nos. 190, 194, and 198.

(See account No. 530)

333 Participations in assets acquired in liquidation of loans and debt securities.

This account will be used only by the "initiating" company and will represent the outstanding balance of participations by other lenders or investors in assets acquired in liquidation of loans (section 305) and debt securities (section 304). The total amount of such assets will be carried in account No. 200 by the "initiating" company for accounting convenience. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the asset account.

Debit:

(a) With amount of reductions of such participations.

Credit:

(a) With amount of participations of other lenders or investors in assets acquired in liquidation of loans and debt securities.

NOTE: Appropriate subsidiary records should be maintained for all participations of other lenders or investors in assets acquired in liquidation of loans and debt securities reflected in this account as indicated in Note 3 of account No. 200.

(See account No. 530)

334 Participations in amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

This account will be used only by the "initiating" company and will represent the outstanding balance of participations by other lenders or investors in amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304). The total unpaid balance of such amounts due will be carried in account No. 210 by the "initiating" company for accounting convenience. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the asset account.

Debit:

(a) With amount of reductions of such participations.

Credit:

(a) With amount of participations of other lenders or investors in amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

NOTE: Appropriate subsidiary records should be maintained for all participations of other lenders or investors in amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities re-

flected in this account as indicated in Note 2 of account No. 210.

(See account No. 530)

340 Accounts payable for compensation on participations purchased.

This account, on the books of the "participating" company, will represent the amount of accrued compensation payable for services rendered to it on its participations in loans, debt securities, assets acquired in liquidation of loans (section 305) and debt securities (section 304), and amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304) of the "initiating" company.

Debit:

(a) With amount of such accrued compensation paid or disposed of otherwise.

Credit:

(a) With amount of such accrued compensation.

(See account No. 630)

342 Accounts payable for commitment fees on deferred participations.

This account, on the books of the "initiating" company, will represent the amount of accrued commitment fees payable for having funds made available on a deferred basis by "participating" companies such as banks, small business investment companies, and other lenders in connection with the financing of, or commitments to finance, small business concerns.

Debit:

(a) With amount of such accrued fees paid.

Credit:

(a) With amount of such accrued fees.

NOTE: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern.

(See account No. 600)

344 Accounts payable—other.

This account will represent amounts payable on open account for which other specific accounts have not been provided.

Debit:

(a) With amount of such indebtedness paid, or disposed of otherwise.

Credit:

(a) With amount of such indebtedness incurred.

350 Accrued interest payable.

This account will represent the amount of liability for interest accrued on the company's notes, mortgages and debentures payable, and on loans (section 305) and debt securities (section 304) of small business concerns sold with recourse upon the company in the event of default. The account also will include accrued interest payable on other interest-bearing obligations of the company except accrued interest payable provided for in account No. 352.

Debit:

(a) With amount of such interest paid or disposed of otherwise.

Credit:

(a) At the end of each month, with amount of interest accrued on all interest-bearing obligations covered by this account on that date.

(b) With amount of interest accrued during the month on such obligations paid in full or disposed of otherwise during the month.

352 Accrued interest payable on participations of other lenders or investors in loans, debt securities, and amounts due from debtors.

This account will be used only by the "initiating" company and will represent the accrued interest receivable due "participating" companies, such as other small business investment companies, banks, etc., on their participations in loans, debt securities, and amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304).

The total accrued unpaid interest receivable on loans, debt securities, and amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities in which other lenders or investors participate will be carried in account No. 160 by the "initiating" company for accounting convenience. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the asset account.

Debit:

(a) With amount of such interest paid or disposed of otherwise.

Credit:

(a) With amount due "participating" companies representing their portion of accrued interest receivable on participations in loans, debt securities, and amounts due from debtors.

354 Estimated Federal income taxes accrued.

This account will represent the balance of estimated Federal income taxes accrued which have not been remitted to the Internal Revenue Service.

Debit:

(a) With amount of such taxes paid.

Credit:

(a) With amount of such taxes accrued during the month.

(See accounts Nos. 720 and 722).

356 Estimated State income taxes accrued.

This account will represent the balance of estimated State income taxes accrued which have not been remitted to the appropriate collector of such taxes.

Debit:

(a) With amount of such taxes paid.

Credit:

(a) With amount of such taxes accrued during the month.

(See accounts Nos. 725 and 727).

358 Other accrued expenses.

This account will represent the amount of the company's liability as of the end of the month for accrued expenses, such as salaries, the company's

portion of social security taxes, and other accrued expenses not provided for in other accounts.

Debit:

(a) With amount of such expenses paid or disposed of otherwise.

Credit:

(a) With amount of such expenses accrued during the month.

NOTE: Increases or decreases in the liability for accrued expenses, through accruals or adjustments, will be offset by increases or decreases, respectively, in the appropriate expense accounts.

360-362 Dividends payable on ----- capital stock. (Type and class)

These accounts will represent the company's liability for dividends, other than stock dividends, declared by the company's Board of Directors on the respective types and classes of capital stock issued and outstanding. A separate account should be used to reflect the dividends payable for each type and class of capital stock outstanding.

Debit:

(a) With amount of such dividends paid.

Credit:

(a) With amount of such dividends declared payable by the company's Board of Directors.

365-367 Stock dividends payable on ----- capital stock. (Type and class)

These accounts will represent the amounts of capital stock dividends declared payable by the company's Board of Directors on the respective types and classes of capital stock issued and outstanding. A separate account should be used to reflect the stock dividends payable with respect to each type and class of capital stock outstanding.

Debit:

(a) With amount of such stock dividends issued (contra credit will be made to accounts Nos. 405-409).

Credit:

(a) With amount of such stock dividends declared payable by the company's Board of Directors (contra debit will be made to account No. 420, No. 425, or No. 426, as appropriate).

NOTE: A stock dividend payable is not considered a liability, since the use of assets is not required. In instances when a statement of financial condition is prepared between the dates of declaration and payment, the stock dividend payable should be reflected in the capital stock and surplus section as an addition to the capital stock.

370 Federal taxes withheld.

This account will represent the amount of Federal income and social security taxes withheld from employees' salaries which have not been remitted to the Internal Revenue Service.

Debit:

(a) With amount of such taxes remitted to Internal Revenue Service.

Credit:

(a) With amount of such taxes withheld.

372 State and city taxes withheld.

This account will represent the amount of State income and city taxes

withheld from employees' salaries which have not been remitted to the appropriate collector of such taxes.

Debit:

(a) With amount of such taxes remitted.

Credit:

(a) With amount of such taxes withheld.

374 Unapplied receipts.

This account will represent the amount of funds received by the company which have not been applied to loans (section 305), debt securities (section 304), interest receivable, etc. The account will be used only in instances when the funds received cannot be applied promptly.

Debit:

(a) With amount of such funds applied or disposed of otherwise.

Credit:

(a) With amount of funds received which cannot be applied promptly.

376 Advance interest payments.

This account will represent the amount of interest collected through cash payments by debtors on interest-bearing items prior to the interest maturity date.

Debit:

(a) On the interest maturity date with amount of such interest heretofore credited to this account as an advance payment.

Credit:

(a) With amount of interest received prior to the interest maturity date.

378 Miscellaneous trust receipts.

This account will represent the liability of the company for funds withheld or received in trust, for which no specific account is provided, including earnest money deposits, and funds withheld from employees' salaries for the purchase of United States Savings Bonds, payment of group life insurance premiums, payment of pension fund contributions, etc.

Debit:

(a) With amount of such funds disbursed or disposed of otherwise.

Credit:

(a) With amount of such funds withheld or received.

380 Unamortized premium on debentures payable.

This account will represent the amount of the unamortized balance of premium on unamortized outstanding debentures payable sold by the company for a sum in excess of par.

Debit:

(a) At the end of each month, with the monthly amount necessary to amortize the premium over the life of such debentures.

(b) With the unamortized portion of premium applicable to such debentures purchased and retired prior to maturity.

(c) When such debentures mature during the month, with the amount of premium applicable to the portion of the month the debentures were outstanding.

Credit:

(a) With the amount of premium on such debentures at the time of sale.

(See accounts Nos. 550, 560, and 690)

382 Unearned discount, fees, and other charges on loans (section 305).

This account will represent the amount of unearned discount, fees, and other charges included in the face amount of loans made to small business concerns pursuant to Section 305 of the Small Business Investment Act of 1958, as amended, and which is withheld from disbursements to such small business concerns.

Debit:

(a) On the books of the "initiating" company, with that portion of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participation in the loans.

(b) With amount of unearned discount, fees, and other charges included in the face amount of direct loans, but withheld from disbursements to debtor small business concerns, which becomes earned through collection, passage of time, or sale of loans.

(c) On the books of the "initiating" company, with amount earned of that portion of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is retained by the "initiating" company in connection with loans participated in by other lenders (the amount to be recorded becomes earned through collection, passage of time, or sale of loans).

(d) On the books of the "participating" company, with amount earned of that portion of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in loans of other lenders (the amount to be recorded becomes earned through collection, passage of time, or sale of loans).

(e) With amount of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is rebated to borrowers upon early repayment of loans, or is closed into the asset account upon liquidation of loans at less than full amount.

Credit:

(a) With amount of unearned discount, fees, and other charges included in the face amount of direct loans but withheld from disbursements to debtor small business concerns.

(b) On the books of the "initiating" company, with total amount of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders.

(c) On the books of the "participating" company, with that portion of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in loans of other lenders.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Unearned discount in this account will be transferred to account No. 512—Interest on loans, as it becomes earned, and unearned fees and other charges will be transferred to account No. 536—Miscellaneous fees, under similar circumstances.

NOTE 3: Any fees and other charges considered earned immediately upon closing of loans will be recorded in the appropriate income accounts at once without first being entered in this account.

NOTE 4: Appropriate subsidiary records should be maintained for all unearned amounts included in this account to permit identification of such amounts with the particular loans to which they relate.

(See account No. 253)

384 Unearned discount, fees, and other charges on debt securities (section 304).

This account will represent the amount of unearned discount, fees, and other charges included in the face amount of small business concerns' debt securities acquired pursuant to Section 304 of the Small Business Investment Act of 1958, as amended, and which is withheld from disbursements to such small business concerns.

Debit:

(a) On the books of the "initiating" company, with that portion of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participation in purchases of the debt securities.

(b) With amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which becomes earned through collection, passage of time, or sale of debt securities.

(c) On the books of the "initiating" company, with amount earned of that portion of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is retained by the "initiating" company in connection with purchases of debt securities participated in by other investors (the amount to be recorded becomes earned through collection, passage of time, or sale of debt securities).

(d) On the books of the "participating" company, with amount earned of that portion of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld

from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities (the amount to be recorded becomes earned through collection, passage of time, or sale of debt securities).

(e) With amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is rebated to borrowers, upon early repayment of debt securities, or is closed into the asset account upon liquidation of debt securities at less than full amount.

Credit:

(a) With amount of unearned discount, fees, and other charges included in the face amount of debt securities acquired but withheld from disbursements to debtor small business concerns.

(b) On the books of the "initiating" company, with total amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors.

(c) On the books of the "participating" company, with that portion of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the "participating" company in connection with its participations in purchases by other investors of debt securities.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Unearned discount in this account will be transferred to account No. 516—Interest on debt securities, as it becomes earned, and unearned fees and other charges will be transferred to account No. 536—Miscellaneous fees, under similar circumstances.

NOTE 3: Any fees and other charges considered earned immediately upon closing of financing through purchase of debt securities will be recorded in the appropriate income accounts at once without first being entered in this account.

NOTE 4: Appropriate subsidiary records should be maintained for all unearned amounts included in this account to permit identification of such amounts with the particular debt securities to which they relate.

(See account No. 254)

386 Other liabilities.

This account will represent the amount of liabilities of the company not specifically provided for in other accounts.

Debit:

(a) With amount of such liabilities paid or disposed of otherwise.

Credit:

(a) With amount of such liabilities incurred.

390 Allowance for uncollectible notes and accounts receivable.

This account will represent the valuation reserve provided for estimated

losses on notes and accounts receivable and should be maintained in an amount not less than a conservative estimate of probable losses on notes and accounts receivable. The valuation reserve will be adjusted upward as conditions make advisable, and may be adjusted downward if circumstances justify or occasion demands, in order to reflect the true value of the company's notes and accounts receivable.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of notes and accounts receivable written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on notes and accounts receivable written off.

(See account No. 666)

391 Allowance for uncollectible interest receivable.

This account will represent the valuation reserve provided for estimated losses of accrued interest receivable, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve should be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses of accrued interest receivable.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of accrued interest receivable written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries of accrued interest receivable written off.

NOTE: In instances when a loan to, or debt security of, a small business concern or an amount due from debtors on sale of assets acquired in liquidation of loans and debt securities is participated in by other lenders or investors, the valuation reserve on the books of the "initiating" company should not exceed the total accrued interest receivable, less the amount of such interest due other lenders or investors on their participations as reflected in account No. 352.

392 Allowance for uncollectible loans (section 305).

This account will represent the valuation reserve provided for estimated losses on loans (section 305) and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted upward as conditions make advisable, and may be adjusted downward if circumstances justify or occasion demands, in order to reflect the true value of the company's loans to small business concerns.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of such loans written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on such loans written off.

(See account No. 668)

393 Allowance for losses on debt securities (section 304).

This account will represent the valuation reserve provided for estimated losses on debt securities, convertible, and with stock purchase warrants or options, and debt securities divested of stock rights (all such securities section 304) and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on debt securities of small business concerns.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for debt securities which are sold or disposed of otherwise (contra credit will be made to account No. 673).

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When debt securities of small business concerns are sold by the company or disposed of otherwise, the appropriate asset account will be credited for the related cost value carried therein, and an additional credit will be made to account No. 572 if a gain is realized, or a concurrent debit will be made to account No. 702 if a loss is sustained.

(See accounts Nos. 180, 184, 572, 673, and 702)

394 Allowance for losses on capital stock of SBCs.

This account will represent the valuation reserve provided for estimated losses on convertible capital stock of SBCs, capital stock of SBCs with stock purchase warrants or options, and capital stock of SBCs—other, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on capital stock of SBCs.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for capital stock which is sold or disposed of otherwise (contra credit will be made to account No. 674).

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When capital stock of SBCs is sold by the company or disposed of otherwise, the appropriate asset account will be credited

for the related cost value carried therein, and an additional credit will be made to account No. 576 if a gain is realized, or a concurrent debit will be made to account No. 706 if a loss is sustained.

(See accounts Nos. 190, 194, 198, 576, 674, and 706)

395 Allowance for losses on assets acquired in liquidation of loans and debt securities.

This account will represent the valuation reserve provided for estimated losses on assets acquired in liquidation of loans (section 305) and debt securities (section 304), and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on assets acquired in liquidation of loans and debt securities.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for assets acquired in liquidation of loans and debt securities which are sold or disposed of otherwise (contra credit will be made to account No. 675).

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When assets acquired in liquidation of loans and debt securities are sold by the company or disposed of otherwise, account No. 200 will be credited for the related investment carried therein, and an additional credit will be made to account No. 578 if a gain is realized, or a concurrent debit will be made to account No. 708 if a loss is sustained.

(See accounts Nos. 200, 578, 675, and 708)

396 Allowance for uncollectible amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

This account will represent the valuation reserve provided for estimated losses of amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304), and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted upward as conditions make advisable, and may be adjusted downward if circumstances justify or occasion demands, in order to reflect the true value of such amounts due from debtors on the company's books.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount due from debtors on sale of assets acquired in liquidation of loans and debt securities written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on such items written off.

(See accounts Nos. 210 and 669)

397 Accumulated depreciation on furniture and equipment.

This account will represent the valuation reserve provided for depreciation of furniture, fixtures, and equipment including automobiles owned by the company. This account should be maintained in an amount not less than a conservative estimate of the expired service life of such assets while owned by the company.

Debit:

(a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit:

(a) At the end of each month, with the monthly amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 230 and 656)

398 Accumulated depreciation on corporate premises owned—building.

This account will represent the valuation reserve provided for depreciation of the building and other depreciable improvements of corporate premises owned and used as the company's office quarters. This account should be maintained in an amount not less than a conservative estimate of the expired service life of such building and improvements while owned by the company.

Debit:

(a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit:

(a) At the end of each month, with the monthly amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 241 and 655)

Capital Stock and Surplus Accounts

400-404 ----- capital stock (Type and class) authorized.

These accounts will represent the total par or stated value of the capital stock authorized, as provided for in the company's charter. A separate account should be provided for each type and class of capital stock authorized.

Debit:

(a) With amount of reductions of such capital stock authorized.

Credit:

(a) With original amount of such capital stock authorized.

(b) With additional amounts of such capital stock authorized.

(See accounts Nos. 405-409)

405-409 ----- unissued (Type and class) capital stock.

These accounts will represent the total par or stated value of unissued capital stock of the company. A separate account should be provided for each type and class of unissued capital stock.

Debit:

(a) With original amount of such unissued capital stock, as provided for in the company's charter.

(b) With additional amounts of such unissued capital stock authorized.

(c) With par or stated value of capital stock retired.

Credit:

(a) With amount of such capital stock issued (contra debit will be made to accounts Nos. 410-414).

(b) With amount of reductions of capital stock authorized.

(See accounts Nos. 400-404)

410-412 ----- capital stock (Type and class) subscribed.

These accounts will represent the total amount at the subscription price of the company's capital stock subscribed. A separate account should be provided for each type and class of capital stock subscribed. These accounts will reflect the company's responsibility to issue shares of its stock to subscribers who have made final payment of their capital stock subscriptions.

Debit:

(a) With amount at the subscription price of such subscribed capital stock issued (contra credits will be made to accounts Nos. 405-409 and, as appropriate, No. 420).

(b) With amount at the subscription price of such subscribed capital stock cancelled or disposed of otherwise.

Credit:

(a) With amount at the subscription price of such capital stock subscribed.

(See accounts Nos. 250-252)

415-419 Treasury stock ----- (Type and class)

These accounts will represent the total amount of the company's issued capital stock which has been reacquired through purchase or donation and has not been retired. A separate account should be provided for each type and class of such capital stock held by the company.

Debit:

(a) With cost of such capital stock acquired through purchase.

(b) With amount of fair market value or par value of such capital stock acquired through donation (contra to account No. 420).

Credit:

(a) With cost of such capital stock acquired through purchase, when sold or disposed of otherwise.

(b) With amount of fair market value or par value of such capital stock acquired through donation, when sold or disposed of otherwise.

NOTE: Appropriate subsidiary records should be maintained when deemed necessary.

420 Paid-in surplus.

This account will represent the amount of surplus arising from (1) sales initially of the company's capital stock at a price in excess of par value (including amounts transferred from capital stock subscribed at a price above par, when shares are issued); (2) donations to the company of its issued capital stock

carried as treasury stock at fair market value or par value; (3) retirements of capital stock purchased at less than the par value thereof; (4) sales of treasury stock in excess of its carrying value on the books of the company; (5) donations or gifts to the company of assets carried at not in excess of fair market value; (6) other capital equity transactions with stockholders.

Debit:

(a) With amount of loss on treasury stock sold which was acquired through purchase.

(b) With amount received by the company below fair market value, or par value, whichever applicable, for treasury stock sold which was acquired through donation.

(c) With amount paid by the company in excess of par value, but not to exceed the premium received initially, for shares of capital stock retired (any amount paid in excess of par plus initial premium received will be charged to retained earnings, accounts Nos. 425 and 426 as appropriate).

(d) With amount of stock dividends, at par value of the stock, declared payable out of paid-in surplus by the company's Board of Directors.

Credit:

(a) With amount paid in, or transferred from capital stock subscribed, representing the excess (after deduction of underwriters' fees and commissions) over par value of the company's capital stock, when shares are issued.

(b) With amount of fair market value or par value of the company's capital stock acquired through donation.

(c) With amount of discount below par value of the company's capital stock acquired through purchase, when such stock is retired.

(d) With amount received by the company in excess of cost, or in excess of fair market value or par value, whichever applicable, for treasury stock sold.

(e) With amount not to exceed fair market value of donations or gifts of assets to the company.

425 Retained earnings from net income.

This account will represent the accumulated balance of the company's undistributed net income since incorporation.

Debit:

(a) At the end of the fiscal year, with any debit balance reflected in the profit and loss summary account.

(b) With amount of dividends, other than stock dividends, declared payable out of retained earnings from net income by the company's Board of Directors.

(c) With amount of stock dividends, at par value of the stock, declared payable out of retained earnings from net income by the company's Board of Directors.

(d) With appropriate amount paid by the company in excess of par plus initial premium received on the type and class of shares of capital stock retired.

(e) With amounts transferred to appropriated retained earnings upon approval by the Board of Directors.

Credit:

(a) At the end of the fiscal year, with the credit balance of the profit and loss summary account.

(b) With amounts returned from appropriated retained earnings.

(See account No. 427)

426 Retained earnings from net realized gain on investments.

This account will represent the accumulated balance of the company's undistributed net realized gain on investments since incorporation.

Debit:

(a) At the end of the fiscal year, with any debit balance reflected in the realized gain and loss summary account.

(b) With amount of dividends, other than stock dividends, declared payable out of retained earnings from net realized gain on investments by the company's Board of Directors.

(c) With amount of stock dividends, at par value of the stock, declared payable out of retained earnings from net realized gain on investments by the company's Board of Directors.

(d) With appropriate amount paid by the company in excess of par plus initial premium received on the type and class of shares of capital stock retired.

(e) With amounts transferred to appropriated retained earnings upon approval by the Board of Directors.

Credit:

(a) At the end of the fiscal year, with the credit balance of the realized gain and loss summary account.

(b) With amount returned from appropriated retained earnings.

(See account No. 427)

427 Appropriated retained earnings.

This account will represent the amount of retained earnings restricted from dividend distribution and thus earmarked for some future purpose, such as the retirement of debentures payable, the acquisition of treasury stock, etc.

Debit:

(a) With amounts returned to the appropriate retained earnings account after purpose has been served.

Credit:

(a) With amounts transferred from retained earnings upon approval by the Board of Directors.

(See accounts Nos. 425 and 426)

429 Profit and loss summary.

This account will be used as a clearing account through which all income and expense accounts on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the debit balances of all expense and income accounts.

(b) At the end of the fiscal year, with the credit balance of the account (transfer to retained earnings from net income).

Credit:

(a) At the end of the fiscal year, with the credit balances of all income and expense accounts.

(b) At the end of the fiscal year, with the debit balance of the account (trans-

fer to retained earnings from net income).

(See account No. 425)

430 Realized gain and loss summary.

This account will be used as a clearing account through which all accounts for realized gains and losses on investments on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the balances of all accounts for losses on investments.

(b) At the end of the fiscal year, with the credit balance of the account (transfer to retained earnings from net realized gain on investments).

Credit:

(a) At the end of the fiscal year, with the balances of all accounts for gains on investments.

(b) At the end of the fiscal year, with the debit balance of the account (transfer to retained earnings from net realized gain on investments).

(See account No. 426)

Income Accounts

500 Commitment income.

This account will represent the amount of income earned during the month on commitments to small business concerns for loans (section 305) and equity securities (section 304). This account, on the books of the "participating" company, will include the amount of commitment income during the month on deferred participations.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of income earned during the month on commitments and deferred participations.

NOTE: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern.

(See account No. 155)

510 Interest on U.S. Government securities.

This account will represent the amount of interest earned during the month on United States Government obligations, direct and fully guaranteed, owned by the company.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on securities owned on that date.

(b) With amount of interest earned during the month on securities disposed of during the month.

(See accounts Nos. 130 and 160)

512 Interest on loans.

This account will represent the amount of interest earned during the month on

loans (section 305) to small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on loans outstanding to small business concerns on that date.

(b) With amount of interest earned during the month on loans to small business concerns paid in full during the month.

(See accounts Nos. 160, 170, and 382)

514 Interest on funds in escrow pending closing of financing.

This account will represent the amount of interest earned during the month on funds in escrow pending closing of financing for small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on funds in escrow pending closing of such financing on that date.

(b) With amount of interest earned during the month on funds in escrow pending closing, when related financing was closed during the month.

(See accounts Nos. 160 and 179)

516 Interest on debt securities.

This account will represent the amount of interest earned during the month on debt securities of small business concerns owned by the company pursuant to section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on such debt securities owned on that date.

(b) With amount of interest earned during the month on such debt securities paid in full or converted to capital stock during the month.

(See accounts Nos. 160, 180, 184, and 384)

518 Interest on amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

This account will represent the amount of interest earned during the month on amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304).

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on amounts due from debtors on

sale of assets acquired in liquidation of loans and debt securities on that date.

(b) With amount of interest earned during the month on amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities paid in full or converted to capital stock during the month.

(See accounts Nos. 160 and 210)

520 Interest income—other.

This account will represent the amount of interest earned during the month on miscellaneous notes receivable. Interest earned during the month on notes representing amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities will be reflected in account No. 518. This account, however, will include interest earned on interest-bearing receivables not otherwise classified.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on such receivables on that date.

(b) With amount of interest earned during the month on such receivables paid in full during the month.

(See accounts Nos. 140 and 160)

530 Compensation income—participations sold.

This account, on the books of the "initiating" company, will represent the amount of compensation earned during the month for financial services rendered in connection with participations sold.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such compensation income.

(See account No. 154)

532 Advisory and consulting service fees.

This account will represent the amount of fees charged during the month for advisory, consulting, and related services rendered to small business concerns pursuant to section 308(b) of the Small Business Investment Act of 1958, as amended.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such fees charged.

534 Appraisal and investigation fees.

This account will represent the amount of fees charged during the month for appraisal, investigation, and related services rendered to banks or other lenders or investors, pursuant to section 308(a) of the Small Business Investment Act of 1958, as amended. The account will exclude compensation for financial services rendered in connection with participations sold (see account No. 530).

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such fees charged.

536 Miscellaneous fees.

This account will represent the amount of fees charged during the month for application, appraisal, investigation, and related services rendered to small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such fees charged.

(See accounts Nos. 382 and 384)

540 Dividends on capital stock of SBCs.

This account will represent the amount of income from declared dividends on capital stock of small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of income from such dividends.

541 Sharings in income of SBCs.

This account will represent the amount of sharings or participations in the income of small business concerns from which the company has acquired debt securities (section 304).

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such sharings.

550 Amortization of premium on debentures payable.

This account will represent the amount of amortization of premium on unmatured outstanding debentures payable issued by the company.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with the monthly amount necessary to amortize the premium over the life of such debentures.

(b) With the unamortized portion of premium applicable to such debentures purchased and retired prior to maturity.

(c) When such debentures mature during the month, with the amount of premium applicable to the portion of the month the debentures were outstanding.

(See account No. 380)

560 Gain on debentures purchased and retired.

This account will represent the amount of excess of (1) the par value of debentures payable purchased and retired plus unamortized premium and minus unamortized discount in connection with such debentures over (2) the cost of the principal sum of such debentures.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such gain on debentures payable purchased and retired during the month.

(See accounts Nos. 224, 316, 318, and 380)

570 Gain on U.S. Government securities.

This account will represent the amount of gain on the sale or other disposition of United States Government obligations, direct and fully guaranteed, carried in account No. 130.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such securities sold or disposed of otherwise.

NOTE: Increase in value over cost of United States Treasury bills, which are issued at a discount and are noninterest bearing, will not be reflected in this account but will be credited at the end of each month to account No. 510—Interest on U.S. Government securities, with concurrent debit to account No. 160—Accrued interest receivable.

572 Gain on debt securities (section 304).

This account will represent the amount of gain on the sale or other disposition of debt securities (section 304) of small business concerns carried in accounts Nos. 180 and 184.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such debt securities sold or disposed of otherwise.

574 Recoveries on asset losses charged to loss accounts.

This account will represent the amount of recoveries on losses sustained through sale or other disposition of assets for which direct charges to loss accounts have been recorded.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary and realized gain and loss summary, as appropriate, on the basis of analysis of this account).

Credit:

(a) With amount collected on such items written off.

(See accounts Nos. 702, 708, and 709)

576 Gain on capital stock of SBCs.

This account will represent the amount of gain on the sale or other disposition of capital stock of small business concerns carried in accounts Nos. 190, 194, and 198.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such capital stock sold or disposed of otherwise.

577 Gain on stock purchase warrants or options of SBCs.

This account will represent the amount of gain on the sale or other disposition of detachable stock purchase warrants or options of small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such stock purchase warrants or options sold or disposed of otherwise.

NOTE: Inasmuch as detachable stock purchase warrants or options of small business concerns are not to be established as assets on the company's books when detached from capital stock certificates or debt securities, but instead are to be entered in a memorandum record at a nominal value of one dollar (\$1.00) for each such warrant or option certificate, the full amount received upon sale or other disposition of the warrants or options will constitute the gain to be recorded in this account.

(See memorandum record No. NA-10)

578 Gain on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of gain on the sale or other disposition of assets acquired in liquidation of loans (section 305) and debt securities (section 304) of small business concerns carried in account No. 200.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such assets acquired in liquidation of loans and debt securities sold or disposed of otherwise.

579 Gain on other assets.

This account will represent the amount of gain on the sale or other disposition of assets not specifically provided for in other accounts.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of gain on such assets sold or disposed of otherwise.

580 Rental income.

This account will represent the income earned during the month from the leasing or renting to others of portions of corporate premises owned.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of income earned during the month.

582 Income from assets acquired in liquidation of loans and debt securities.

This account will represent the amount of income earned during the month on assets acquired in liquidation of loans (section 305) and debt securities (section 304), including the operation of properties, carried in account No. 200.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such income earned during the month.

NOTE: In instances when a liquidating agent is employed to supervise the disposition of the assets, appropriate subsidiary accounts should be maintained by the agent. Cash collected from the sale of assets by the liquidating agent should be remitted immediately to the company. The company should maintain a local depository bank account, in which all receipts of the agent are deposited when direct remittances to the company are not feasible. Deposit balances in this account should be subject to withdrawal by check only by the company and should be reflected on the company's records in the same manner as other bank accounts.

Any advances to a liquidating agent for expenses incident to the operation of or in the disposition of assets acquired in the liquidation of loans and debt securities should be charged to account No. 220—Prepaid expenses.

584 Other income.

This account will represent the income earned during the month not specifically provided for in other accounts.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such income earned during the month.

Expense Accounts**600 Commitment expense.**

This account will represent the amount of commitment expense during the month on commitments from the Small Business Administration and on commitments from lending institutions other than the Small Business Administration.

On the books of the "initiating" company, this account also will include the amount of commitment expense during the month on deferred participations.

Debit:

(a) With amount of expense incurred during the month on commitments and deferred participations.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

NOTE: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern.

(See account No. 342)

610 Interest on notes payable to SBA.

This account will represent the amount of interest expense accrued during the month on notes payable for funds borrowed from the Small Business Administration.

Debit:

(a) With amount of such interest accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 300 and 350)

614 Interest on debentures payable, issued to SBA.

This account will represent the amount of interest expense accrued during the month on subordinated debentures payable, issued to the Small Business Administration.

Debit:

(a) With amount of such interest accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 302 and 350)

618 Interest on loans sold with recourse.

This account will represent the amount of interest expense accrued during the month on loans to small business concerns sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With amount of such interest accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 170, 220, and 350)

620 Interest on debt securities sold with recourse.

This account will represent the amount of interest expense accrued during the month on debt securities of small business concerns sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With amount of such interest accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 180, 184, and 350)

622 Interest on notes payable to other than SBA.

This account will represent the amount of interest expense accrued during the month on notes payable for funds borrowed from other than the Small Business Administration.

Debit:

(a) With amount of such interest accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 315 and 350)

624 Interest on debentures payable, issued to other than SBA.

This account will represent the amount of interest expense accrued during the month on subordinated and unsubordinated debentures payable, issued to other than the Small Business Administration.

Debit:
(a) With amount of such interest accrued during the month.
Credit:
(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 316, 318, and 350)
626 Interest on mortgages payable.

This account will represent the amount of interest expense accrued during the month on mortgages payable for funds borrowed by the company, carried in account No. 319.

Debit:
(a) With amount of such interest accrued during the month.

Credit:
(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 350)

628 Interest expense—other.

This account will represent the amount of interest expense accrued during the month on obligations of the company not specifically provided for in other accounts.

Debit:
(a) With amount of such interest accrued during the month.

Credit:
(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 350)

630 Compensation expense—participations purchased.

This account, on the books of the "participating" company, will represent the amount of compensation expense during the month for financial services received from "initiating" companies in connection with participations purchased.

Debit:
(a) With amount of such compensation expense.

Credit:
(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 340)

640 Debenture and fiscal agent expense.

This account will represent the amount of (1) charges by the company's fiscal agent for services rendered, including reimbursements of expenses incurred by the fiscal agent on behalf of the company, and (2) expenses directly incident to the sale, redemption, and servicing of debentures payable, including such items as commissions, advertising in financial journals, communications, printing, stationery and supplies, shipping expenses, and such other expenses as may be properly charged to the sale, redemption, and servicing of debentures.

Debit:
(a) With amount of such expenses incurred during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

642 Transfer agent and registrar expense.

This account will represent the amount of charges to the company by the transfer agent and the registrar for services rendered in connection with the issuance and transfer of the company's capital stock.

Debit:
(a) With amount of such expenses incurred during the month.

Credit:
(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

650-679 Operating expenses.

The accounts under this caption will represent the amounts of operating expenses incurred.

Debit appropriate account:

(a) With amount of operating expenses incurred during the month.

Credit appropriate account:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

650 Advertising and promotional costs.

This account will represent the cost of advertising and promoting the company's services, including the cost of entertaining prospective borrowers and clients.

651 Appraisal, consulting, and engineering costs.

This account will represent the amount of charges made by outside firms and individuals for appraisal, consulting, and engineering services rendered to the company.

652 Auditing and examination costs.

This account will represent the amount of charges for auditing, examination, and bookkeeping services rendered by accountants not on the company's payroll, and charges for services rendered by SBA examiners.

653 Communications.

This account will represent telephone, telegraph, and postage expense.

654 Cost of space occupied.

This account will represent the cost of space occupied such as rent, alterations, amortization of leasehold improvements, light, heat, power, janitor service, etc., but not including maintenance and repairs, and depreciation.

655 Depreciation of corporate premises owned—building.

This account will represent the amount of provision applicable to the fiscal year for depreciation of the building and other depreciable improvements of corporate premises owned and used as the company's office quarters.

656 Depreciation of furniture and equipment.

This account will represent the amount of provision applicable to the fiscal year for depreciation of furniture, fixtures,

and equipment, including automobiles, owned by the company.

657 Directors' and stockholders' meetings costs.

This account will represent directors' fees, and travel expense for attendance at directors' and stockholders' meetings. This account also will include the cost of holding stockholders' meetings, such as rental of the meeting hall and related expenses.

658 Insurance.

This account will represent fire, theft, employee group life insurance, and other insurance expense, including fidelity bond premiums and insurance on automobiles. With respect to employee group life insurance coverage, only that portion of the premiums paid by the company will be charged to this account. The portion, if any, of employee group life insurance premiums withheld from salaries or received from employees will be reflected in account No. 378.

(Insurance premiums to be amortized will be charged to account No. 220)

659 Investigation and financial service costs.

This account will represent the amount of charges made by outside firms and individuals for investigation and financial services rendered to the company. Such services may be required in connection with applications for loans and applications for financing small business concerns through acquisition of their debt securities.

660 Investment adviser and supervisory costs.

This account will represent the amount of charges made by outside firms and individuals for furnishing advice to the company with respect to the desirability of investing in, purchasing, or selling loans, debt securities, and capital stock of small business concerns and other property, or for determining, if so empowered, what securities or other property shall be purchased or sold by the company.

661 Legal services.

This account will represent the cost of legal services rendered to the company.

662 Miscellaneous services and supplies.

This account will represent the amount of charges made to the company for custodial or safekeeping services in connection with its portfolio securities, bank service charges, exchange on checks, protest fees, and other miscellaneous service charges, and the cost of office supplies such as stationery, accounting forms, blank books, pencils, binders, etc.

663.1 Salaries of officers.

This account will represent the salary cost of all officers of the company, including directors' salaries, if any, but not directors' fees for attendance at meetings.

663.2 Salaries of employees.

This account will represent the salary cost of all employees other than officers, including salaries of any temporary or

part-time employees engaged for specific assignments.

664 Taxes, excluding Federal and State income taxes.

This account will represent the cost of all taxes, including those on corporate premises owned, motor vehicle, personal property, social security (company's portion) and other taxes charged to the company, exclusive of Federal and State income taxes.

665 Travel.

This account will represent all travel expense, including transportation charges, automobile maintenance and operating expense, meals, lodging, telephone, telegraph, and other company costs incurred by officers and employees while in a travel status.

666 Uncollectible notes and accounts.

This account will represent the amount of estimated uncollectible notes and accounts receivable applicable to the fiscal year.

667 Uncollectible interest receivable.

This account will represent the amount of estimated uncollectible interest receivable applicable to the fiscal year.

668 Uncollectible loans (section 305).

This account will represent the amount of estimated uncollectible loans (section 305) to small business concerns applicable to the fiscal year.

669 Uncollectible amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

This account will represent the sum of estimated uncollectible amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304) applicable to the fiscal year.

NOTE: Appropriate subsidiary accounts should be maintained when deemed necessary.

670 Maintenance and repairs.

This account will represent all maintenance and repairs expense on buildings, furniture, and equipment (other than automobiles) owned by the company.

671 Retirement benefits expense.

This account will represent the cost assumed by the company in contributing to a pension fund providing for employee retirement benefits. The portion, if any, of the cost of retirement benefits withheld from salaries or received from employees will be reflected in account No. 378.

672 Organization expense.

This account will represent the amount of legal fees, promotional expense, stock certificate costs, incorporation fees, taxes, and other related costs incurred in organizing the company, which are charged to expense (this account) as incurred or are transferred to this account periodically through the amortization of organization costs established as an asset in account No. 256.

673 Estimated losses on debt securities (section 304).

This account will represent the amount of estimated losses applicable to the fiscal year on debt securities (section 304) of small business concerns.

674 Estimated losses on capital stock of SBCs.

This account will represent the amount of estimated losses applicable to the fiscal year on capital stock of small business concerns.

675 Estimated losses on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of estimated losses applicable to the fiscal year on assets acquired in liquidation of loans and debt securities.

680 Amortization of discount on debentures payable.

This account will represent the amount of amortization of discount on unmatured outstanding debentures payable issued by the company.

Debit:

(a) At the end of each month, with the monthly amount necessary to amortize the discount over the life of such debentures.

(b) With the unamortized portion of discount applicable to such debentures purchased and retired prior to maturity.

(c) When such debentures mature during the month, with the amount of discount applicable to the portion of the month the debentures were outstanding.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 224)

690 Loss on debentures purchased and retired.

This account will represent the amount of excess of (1) the cost of the principal sum of debentures payable purchased and retired over (2) the par value of such debentures plus unamortized premium and minus unamortized discount in connection with such debentures.

Debit:

(a) With amount of such loss on debentures payable purchased and retired during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 224, 316, 318, and 380)

700 Loss on U.S. Government securities.

This account will represent the amount of loss on the sale or other disposition of United States Government obligations, direct and fully guaranteed, carried in account No. 130.

Debit:

(a) With amount of loss on such securities sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

702 Loss on debt securities (section 304).

This account will represent the amount of loss on the sale or other disposition of debt securities (section 304) of small business concerns carried in accounts Nos. 180 and 184.

Debit:

(a) With amount of loss on such debt securities sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 574)

706 Loss on capital stock of SBCs.

This account will represent the amount of loss on the sale or other disposition of capital stock of small business concerns carried in accounts Nos. 190, 194, and 198.

Debit:

(a) With amount of loss on such capital stock sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

708 Loss on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of loss on the sale or other disposition of assets acquired in liquidation of loans (section 305) and debt securities (section 304) of small business concerns carried in account No. 200.

Debit:

(a) With amount of loss on such assets sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 574)

709 Loss on other assets.

This account will represent the amount of loss on the sale or other disposition of assets not specifically provided for in other accounts.

Debit:

(a) With amount of loss on such assets sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 574)

710 Expense on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of expense incurred during the month on assets acquired in liquidation of loans (section 305) and debt securities (section 304), including the operation of properties, carried in account No. 200.

Debit:

(a) With amount of such expense incurred during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

NOTE: In instances when a liquidating agent is employed to supervise the disposal

tion of the assets, appropriate subsidiary accounts should be maintained by the agent.

Cash collected from the sale of assets by the liquidating agent should be remitted immediately to the company. The company should maintain a local depository bank account, in which all receipts of the agent are deposited when direct remittances to the company are not feasible. Deposit balances in this account should be subject to withdrawal by check only by the company and should be reflected on the company's records in the same manner as other bank accounts.

Any advances to a liquidating agent for expenses incident to the operation of or in the disposition of assets acquired in the liquidation of loans and debt securities should be charged to account No. 220—Prepaid expenses.

720 Federal income taxes—net income.

This account will represent the amount of Federal income taxes applicable to net income for the current fiscal year.

Debit:

(a) With amount of such taxes accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 354)

722 Federal income taxes—net realized gain on investments.

This account will represent the amount of Federal income taxes applicable to net realized gain on investments for the current fiscal year.

Debit:

(a) With amount of such taxes accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 354)

725 State income taxes—net income.

This account will represent the amount of State income taxes applicable to net income for the current fiscal year.

Debit:

(a) With amount of such taxes accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 356)

727 State income taxes—net realized gain on investments.

This account will represent the amount of State income taxes applicable to net realized gain on investments for the current fiscal year.

Debit:

(a) With amount of such taxes accrued during the month.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 356)

Memorandum Records

Contingent Assets

CA-1 Documentary items in process of collection.

This record will show the amount of trade acceptances, bills of sale, sight drafts, and other similar documents received by the company. It is intended that items entered in this record will not of themselves be considered collateral, but will represent instruments used in effecting collection of the proceeds of the sale of collateral which has been released on trust receipts or similar collateral documents. When collection is effected, appropriate entry will be made in this record.

CA-2 Other contingent assets.

This record will show the amount of miscellaneous contingent assets, such as postdated checks, etc.

Contingent Liabilities

CL-6 Commitments outstanding.

This record will show the amount of financing commitments made and outstanding to small business concerns, including commitments for loans and for the acquisition of small business concerns' capital stock and debt securities. This record also will show the amount of deferred participations. A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern. When funds are advanced against commitments, appropriate entry will be made in this record.

CL-7 Other contingent liabilities.

This record will show the amount of miscellaneous contingent obligations not otherwise classified.

Nominal Assets

NA-10 Stock purchase warrants or options on stock of SBCs.

This record will show the company's ownership of detachable stock purchase warrants or options which have been de-

tached from the capital stock certificates or debt securities with which they were issued by small business concerns.

Each detachable stock purchase warrant or option certificate should be entered in this record, upon detachment, at a nominal value of one dollar (\$1.00). Upon sale of a detachable stock purchase warrant or option or upon exercise or expiration of rights conveyed by a detachable stock purchase warrant or option, the entry establishing such certificate in the memorandum records is to be discharged through an equivalent credit.

Debit:

(a) With nominal value of detachable stock purchase warrants or options upon their detachment from capital stock certificates or debt securities.

Credit:

(a) With nominal value of detachable stock purchase warrants or options upon exercise or expiration of rights conveyed by such warrant or option certificates.

(b) With nominal value of detachable stock purchase warrants or options sold or disposed of otherwise.

(See accounts Nos. 180 and 194)

Options on Company's Stock

OCS-1 Options on company's stock.

This record will show details of outstanding options on the company's capital stock granted in lieu of salary or in payment for services actually rendered to the company. The following data will be included:

1. Identification of person or entity holding options.
2. Number of shares optioned.
3. Type and class of stock called for by options.
4. Dates of grant and of expiration of options.
5. Price or prices at which options exercisable, with dates they apply.
6. Fair market value, per share, of stock called for at date each option was granted.
7. Price of each option as percent of fair market value of optioned stock at date option was granted.
8. Provisions for termination of options in case of death or retirement of optionees, or other circumstances.
9. Details of authorization, shares reserved for, issuance, exercise, lapse, and forfeiture of options provided for under the company's stock option plan.

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